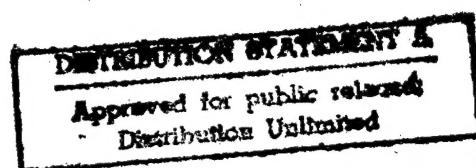


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## Near East/South Asia Report

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25 October 1985

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REGIONAL AFFAIRS

OPEC MEMBERS URGED TO ADHERE TO PRODUCTION QUOTAS

Riyadh AL-YAMAMAH in Arabic 10 Jul 85 pp 28-29

[Article: "OPEC: Bitter Pill"]

[Text] Vienna--The statements made by the OPEC oil ministers upon their arrival at Vienna Airport to attend the organization's semi-annual meeting urged, without exception, the need to protect the organization's unity, the structure of its prices and the level of its production. Inasmuch as these statements have displayed good will, they have not been able to hide the embarrassing questions concerning the real reasons for the current chaos in the oil market which exposes the organization to the danger of complete collapse and concerning the role of some OPEC members in creating these factors and intensifying the pressures the organization is experiencing from within.

It is true that the OPEC crisis has been created fundamentally by certain forces in the oil-consuming industrial countries. It has become evident that there is an economic-political scheme in which the interests of certain international companies and establishments are interlocked with the interests of certain countries and political forces that began to see in the prosperity achieved by the organization in 1979-81, and in the financial and political weight it gained a danger threatening these forces' domination and monopolization of the developing world's economic resources and, consequently, a danger threatening their political domination as well. Since the onset of the 1980's, the gradual implementation of this demonic scheme was launched on more than one front, supported by a number of economic and technological factors, including the world economic recession, the drop in consumption, the new oil finds and the increased production rates in countries outside OPEC as a result of technological development and of developments in the methods of exploration.

Moreover, the policies of increasing the prices in an undisciplined manner at the peak of the "price fever" in the early 1980's contributed to encouraging the oil-consuming countries to adopt new policies in the consumption of oil--policies which led to reduced dependence on oil and to encouraging the use of alternatives such as coal and nuclear energy.

The industrial countries and a number of consuming companies resorted to storing large quantities of oil as a strategic reserve, with this reserve becoming later a card in the game of putting pressure on OPEC when the "oil glut" developed in the oil market.

The series of "salvation" meetings began in 1983 and the famous "London agreement" achieved that year--an agreement which lowered the OPEC production ceiling, set production quotas for OPEC members and established a new price structure--has been a prominent landmark at the level of the organization's efforts to survive.

Even though the OPEC share of the oil market declined to less than 15 million barrels, dropping by more than 30 million barrels, because of the weak demand in the world market and because the oil-producing countries from outside OPEC, especially Britain and Norway, reduced the price of the oil they produced from the North Sea, thus putting increasing pressures on the spot market prices and, consequently, on the OPEC price structure--despite all this, the organization was able to emerge united.

But the doses of pressure put on OPEC continued in a regular manner: withdrawal from the strategic reserve, reduction in the price of British and Norwegian oil and a concerted propaganda war on expected price reductions which caused the market buyers to refrain from purchasing and so forth.

In the face of those negative developments, the organization's sole option was to sacrifice the short-run gains in order to deprive its opponents of their effective weapons. It was also evident that the success of this option required good will on the part of all of the OPEC member states and the implementation of their commitments with utter accuracy despite the inducements offered by the industrial countries to the OPEC member states experiencing difficult economic conditions, such as Nigeria, Ecuador, Iran and others, with the aim of penetrating OPEC's main defense.

We regret to say that the endeavors to destroy OPEC from within have scored some successes. Despite the strict measures imposed by the organization to control the production ceiling, measures which included the employment of a European firm to oversee the member states' production rates, control over these rates has not been achieved. Some OPEC member states have resorted to numerous tricks, including:

- The sale of oil at incentive prices different from the price set by OPEC's latest price structure, namely \$28 per barrel, and offering buyers large discounts to encourage sales at the expense of the other member states abiding by their commitments and at the expense of the "oil surplus" weighing down the organization.
- The practice of "bartering" by some member states, meaning that such states repay the value of their imports from a consuming country in oil without counting these amounts as part of their set quota. In other words, this means the continued presence of the oil surplus in the world market and a violation of the commitment to adhere to the OPEC's production ceiling.

- Some countries have regularly exceeded their set quota and have simply denied such excesses before the organization's followup committees.

- Maneuvering through the sale of refined oil products.

These practices have aroused great anger among the OPEC member states who have observed their commitments and shouldered the major burden of the loss resulting from the reduction of their production. Foremost among these member states are the Kingdom of Saudi Arabia and the other Gulf states.

These countries have shouldered enormous sacrifices for the sake of OPEC and to protect the interests of its members. The kingdom has gone to the farthest limits of sacrifice by reducing its production voluntarily to a much lower level than the quota set for it by OPEC in order to safeguard the market balance, to protect the price structure and to avert a serious price war.

But these countries cannot shoulder the burden endlessly at a time when some members continue to violate the agreements.

There is no doubt that the economic experts will underline the dimensions of the sacrifices made by the Gulf oil countries to protect OPEC. But the continuation of this unfair situation is illogical.

This is why OPEC's latest conference in Vienna had to be held in a new climate and with new given facts. The Gulf states that are OPEC members have sent a clear and succinct message to the effect that protecting OPEC from collapse is a collective responsibility that should not be shouldered by certain members of the organization and that unless OPEC members actually adhere to the "bitter pill" for the current crisis, i.e., "adhere to the set quotas and the price structure," then the countries that have shouldered the lion's share of the sacrifice voluntarily will find themselves compelled to take steps to protect their national interests.

Oil and economic experts are aware of the dimensions of the options available to the Kingdom of Saudi Arabia if the OPEC member states fail to adhere to the temporary policy of "tightening the belt" which has been imposed on OPEC by external pressures until this important organization surpasses the current critical period.

Regarding this option, Western oil experts say that should the current chaos in the market continue and should the price structure collapse, Saudi Arabia can raise its production to levels which no other oil-producing country can match, thus inflicting harm on the countries with a small production capacity and on the countries whose oil industry is characterized by high exploration costs, such as the North Sea countries. Such a step would mean lower revenues for the countries with small production "as a result of the definite drop in prices in such an instance." The step would also mean big losses for countries producing at a high cost-losses that would lead to the economic unfeasibility of this industry and to its total collapse.

The damaging consequences of such a step will not be confined to the producing countries solely. Rather, the consuming industrial countries and the international economic and financial system will also be exposed to numerous problems. The OPEC member states and the oil-producing countries outside OPEC are perhaps fortunate that the restraints against such a catastrophe are in the hands of the Saudi government whose policies have been known for their wisdom, foresight, spirit of cooperation and self-denial.

Since the arrival of the OPEC oil ministers in the Austrian capital, a series of "revelation" or "frank discussion" meetings have been held to discuss how to control the conditions in the oil market and to fill the gap in the organization's agreement on production quotas.

International experts say that this task is the most difficult task faced by OPEC and that the organization's success in overcoming the current tribulation depends on the members' practical response to the appeal of the Gulf oil-producing countries. Sources close to the Vienna conference say that numerous proposals have been made and that the discussion has focused on forming a new body to oversee the marketing issue and to control production. But such a proposal requires a detailed discussion of all aspects of this body's work and of how to coordinate its activities.

Circles of oil industry experts in the Western countries say that the real test for OPEC is embodied in how to reconcile the low demand for oil in the world market with the financial needs of the OPEC member states to finance their local development projects and to balance their payments.

Whereas the International Energy Agency expects a further drop in oil consumption this year, the OPEC member states should perhaps expect their share of the oil market to drop below the current level of 14.5 million barrels a day, especially since most producers outside OPEC have increased their production.

This difficult equation which will face OPEC in the foreseeable future will turn upside down before the end of the 1980's. If OPEC can stand fast, then it will, in a few years, become stronger than when it was at the peak of its prosperity.

The oil experts say that the countdown for the producing countries outside OPEC will begin shortly. The level of production of British North Sea oil, which has now reached its peak with a production of 3.7 million barrels a day, is expected to begin declining in the next 2 years. As for Alaska oil, it will begin to decline with the onset of the 1990's. Only Mexican production will be able to stand fast in the next 5 years. However, most of Mexico's production will be absorbed locally.

The experts go on to say that even if an increase in production develops in the other non-OPEC countries, such as Egypt, Brazil, India and Colombia and some West African countries, the volume of these countries' production will continue to have only a limited impact on the oil market and will not rise to the enormous level of production that occurred in the 1970's.

This drop in the production of the non-OPEC countries will be accompanied by a gradual rise in the world consumption rate, amounting to 3 million barrels a day between 1985-90. Moreover, the continuation of the accelerating development process in the developing countries in the next decade will increase these countries' needs for the oil energy.

Thus, oil industry circles are unanimous that OPEC will regain its comfortable production rate "ranging from 22-24 million barrels a day" in the mid-1990's. The oil studies say that the 1990's may witness another important phenomenon, namely a drop in productivity of some OPEC member states due to the low oil reserve of these countries, thus putting the actual production capability to meet the world's energy needs in the hands of the main producers, namely the Gulf states, particularly the Kingdom of Saudi Arabia.

This bright picture of the future awaiting the oil-producing countries in the not-too-distant future requires greater patience and austerity on the part of the OPEC countries in order to cross the current critical turning point. This is possible if some member states look beyond the calculations of self-interest at the expense of the national interests of other members of the organization.

This difficult task is what those who care for OPEC's future wish to see the current Vienna conference achieve. This is possible if the members' commitments go beyond the limits of verbal pledges and declarations of good will to actual adherence by the production quotas and the price structure.

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CSO: 4404/463

REGIONAL AFFAIRS

GULF COOPERATION COUNCIL SUPPORTS KUWAITI SECURITY MEASURES

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 15-21 Jul 85 p 26-27

[Article by 'Ali Hashim: "Foreign Ministers of Gulf Cooperation Council Member States: Emphasis on Entrenching Security and Support for Kuwaiti Measures; Support for Arab Summit in Principle, Without Insistence"]

[Text] Muscat--The GCC [Gulf Cooperation Council] has already begun to prepare for the sixth Gulf summit, which will convene in the Sultanate of Oman at the beginning of November.

The GCC Ministerial Council, which consists of the GCC ministers of foreign affairs, has held a series of meetings, lasting 2 days, in the Saudi city of Abha.

The foreign ministers of Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE and the Sultanate of Oman have focused on security in their discussions.

The GCC Central Secretariat had prepared a working paper on this topic which it submitted to the council.

Shaykh Sabah al-Ahmad al-Jabir al-Sabah, Kuwait's deputy prime minister and minister of foreign affairs, was absent from the meetings because of a visit made to Kuwait at the beginning of last week by Turkish Prime Minister Turgut Ozal while on his way back from China to his country. Kuwait was represented at the meeting by Rashid 'Abd-al-'Aziz al-Rashid, the minister of state for cabinet affairs.

Al-Rashid said at the opening session that the deterioration of the security situation is a strange phenomenon in the area and that it makes joint action a must.

Security was the concern on which the discussions focused, in addition to other issues which included, according to Yusuf al-'Alawi 'Abdallah, the Omani minister of foreign affairs, "the efforts being exerted to overcome Arab disagreements and to attain a minimum degree of Arab solidarity with the objective of convening an Arab summit and Jordan's and the PLO's efforts to reach an Arab understanding that leads to supporting their joint movement within the framework of the Amman agreement."

## Disagreement in Positions

What AL-NAHAR and AL-'ARABI WA AL-DUWALI has learned is that even though the positions have agreed on the security issue, they have disagreed on the other issues.

Insofar as the summit is concerned, there have been two currents: a Kuwaiti current calling for support for the summit in principle but demanding an Arab consensus on it, thorough preparation of its agenda and prior agreement on all the issues included in this agenda; and another Gulf current calling for support for convening the summit, regardless of whether there is or there is not a consensus on it, whether there is or there is not preparation for it. This is why the position toward the summit has remained indeterminate. Despite the support for an Arab consensus and support for the joint Jordanian-Palestinian efforts, the resolution included in the final statement on the summit supports the summit in principle, without insisting on adherence to a single position in connection with participation or non-participation in the summit.

## Security and Control of Terrorism

There remains the security issue which is the most important issue to the Gulf people under the current circumstances.

'Abdallah Bisharah, the GCC general secretary, told AL-NAHAR AL-'ARABI WA AL-DUWALI that [the meetings] have reaffirmed the measures adopted by the Kuwaiti government, including the imposition of strict regulations on foreign workers in the wake of the abortive assassination attempt to which Shaykh Jabir al-Ahmad, the amir of Kuwait, was exposed on 25 May 1985.

It is to be noted that Kuwait which, like the other Gulf states, relies to a large degree on foreign labor has deported a large number of its residents illegally and has reduced greatly the number of permits issued to those seeking work in it.

It seems that this action has evoked an Iranian protest to Kuwait, with Tehran demanding in a memorandum to the Kuwaiti Ministry of Foreign Affairs that a period of grace be granted to those affected by the arrest or deportation measures under the pretext of "taking care of financial affairs before being deported from the country."

It is well known that only Iran has protested whereas the deportation measures have included many people who are not Iranian nationals, especially Lebanese.

In response to the Iranian protest, Shaykh Sabah al-Ahmad al-Jabir al-Sabah, the deputy prime minister and minister of foreign affairs, told a session of the National Assembly 2 weeks ago: "The deportation does not take place on the basis of the nationality or religion of the deportees but because they are suspect from the security aspect or because of violations pertaining to the legality of their residence."

He added at the time: The deportation is not carried out until the deportee is given a period of grace to liquidate his business activities or until he selects a representative or a guarantor to manage his business after his deportation. The deputy prime minister pointed out that the deportation of 500 persons has been delayed for this reason.

#### Decisive Position with Kuwait

Thus, there has been a Gulf consensus to support Kuwait and any other Gulf state whose security is subjected to attack or to a plot inspired from abroad.

With this support, there has been great pressure on Kuwait to abandon its reservations and to sign the unified security treaty which was approved by the GCC member states 2 years ago.

Even though the final statement has not pointed this out explicitly, it has stressed the need to "adopt joint steps to confront the security threats in the area." This means that Kuwait has agreed in principle to the joint security treaty as long as it has agreed to the joint steps.

#### There Remains Issue of War

Security is connected in one way or another to the issue of the Iraq-Iran war.

The General Secretariat's report referred to the diplomatic efforts exerted to end this war and to what may be done to achieve this end.

What AL-NAHAR AL-'ARABI WA AL-DUWALI has learned is that the Ministerial Council has not discussed new proposals to end the war but has focused on the need to continue the efforts through all channels to achieve this end. The Ministerial Council is awaiting an official version of the Iranian proposals calling for resort to an international court to condemn the initiator of the war before adopting a clear position on it.

#### Awaiting November

The Ministerial Council, which has also reviewed what the GCC has achieved since the conclusion of the fifth summit in Kuwait, has taken decisive resolutions only on the security issue, leaving the other issues pending until the session it will hold next November to prepare the agenda of the summit which will convene in the middle of the same month.

Until next November, every event has its proper discourse.

8494

CSO: 4404/461

ARMENIAN AFFAIRS

SOVIET DELEGATE VOTES AGAINST ARMENIAN GENOCIDE RESOLUTION

Montreal HORIZON in Armenian 9 Sep 85 p 1

[Text] Our correspondent reports from Geneva: The Subcommittee on the Prevention of Discrimination and Protection of Minorities, a body affiliated with the UN Human Rights Commission, approved in its 29 August 1985 session reporter Benjamin Whitaker's genocide report which classifies the Armenian massacres of 1915 in Turkey as genocide.

In the subcommission's evening session on 28 August the Canadian and the Zambian delegates proposed a resolution which asked for the preparation of a second report next year on cultural genocide and ecocide. The two delegates, together with the Nigerian delegate, also proposed a resolution which thanked the reporter and which called for the endorsement of the report as it is.

The Jordanian delegate proposed to amend the second resolution to take account of the fact that the members of the subcommission expressed opinions for and against the report and that they could not reach an agreement.

The Soviet and Moroccan delegates expressed their agreement with the Jordanian delegate.

An hour-long debate that ensued failed to produce an accord, and the voting on the resolution was postponed to the next day.

During its session the next day, after lengthy arguments and revisions, the subcommission endorsed an amended version of the second resolution by a vote of 14 to 1 with 4 delegates abstaining.

The Soviet delegate cast the only vote against this resolution which is the first UN document that recognizes the Armenian genocide.

The delegates of Jordan, Morocco, Bangladesh and Cuba abstained.

The delegates who voted for the resolution represented Argentina, France, the United States, Mexico, Yugoslavia, China, Japan, Nigeria, Ethiopia, India, Ghana, Belgium, Canada and Ecuador.

Thanks to the public relations work of various Armenian national committees, the Armenian nation thus won a major victory in Geneva dealing a major setback to the efforts of the Turkish government machine to distort history.

The British Reuters news agency reports that Western diplomats have observed that the resolution that endorses the report contains no recommendation to pass on the report to the UN Human Rights Commission.

In Ankara, Turkish officials expressed "mixed" feelings on the subcommission's decision. They pointed out that the subcommission merely took note of the report rather than endorsing it. They also noted that the subcommission has taken no decision to circulate the report, which, in their opinion, is not customary.

Turkey does not have a delegate in the subcommission; its representative attended the subcommission's deliberations as an observer.

Whitaker, who was not present at the subcommission's Thursday session, expressed "cautious" satisfaction on the vote.

He said: "Once the report is published as a UN record it makes little difference as to which body issued it."

He added that his report could have been defeated in the politicized atmosphere of the subcommission.

9588

CSO: 4605/4

ARMENIAN AFFAIRS

EDITORIAL COMMENTS ON ADOPTION OF GENOCIDE RESOLUTION

Beirut AZTAG in Armenian 2 Sep 85 p 1

[Text] When the Subcommittee on Prevention of Discrimination and Protection of Minorities, a specialized subdivision of the UN Human Rights Commission, endorsed a resolution recognizing the Armenian massacres of 1915-1916 as genocide in its 38th session in Geneva last weekend, a breach appeared on the decades-old international wall of silence with regard to the Armenian genocide and the just resolution of the Armenian question.

According to international news agencies, the endorsement of Paragraph 24 of British expert Benjamin Whitaker's report, which was the object of the resolution, surprised not only the international press and observers who covered the subcommission's deliberations, but also and particularly Turkey which persistently employed its government machinery to scuttle the report that confirms and recognizes the Armenian genocide and which routinely pressured the experts on the subcommission throughout the subcommission's current plenary session to persuade them to support its viewpoint of twisting the truth and presenting distorted facts.

This triumph which coincides with the 70th anniversary of the genocide was received with gratification by the entire Armenian nation because this is the first time since work began to raise the Armenian question in international forums that a UN agency has approved a just resolution--despite unchanging great power maneuvers and intrigues--in the context of not only the rights of the Armenian people but also the related issue of the recognition and confirmation of historical facts.

One cannot but express admiration at the unswerving and unyielding stance of the report's author, Whitaker, against pressures to change his report and at the impartial and just stance taken by several other experts against the pressures of Turkey and its supporters. Conversely, one cannot but be repugned and outraged at the intrigues staged by some pro-Turkish delegates. Whatever the motives of those delegates and their governments may have been, what is important for us is that their negative stance against this breakthrough for the Armenian cause cannot be justified in any way.

ARMENIAN AFFAIRS

TURKISH LEADERS ALLEGEDLY TARGETED BY NEW ARMENIAN 'FRONT'

Istanbul MARMARA in Armenian 12 Sep 85 p 1

[Text] A London-based organization called the "Democratic Front of the Popular Movement for the Liberation of Armenia" has declared in the journal HAYASDAN-GAYDZER [Armenia-Sparks], that the "latest targets of Armenia's liberation are the Turkish leaders and ruling authorities." This pronouncement was made in the September edition of the said publication which is the press organ of the organization. The article also says: "In the national liberation struggle that is being waged it is extremely important to analyze the conditions we live in and to determine the direction of political and objective targets accordingly."

The said organization has a Marxist orientation and recently broke ranks with ASALA [Armenian Secret Army for the Liberation of Armenia]. It insists that the success of their struggle depends on the weakening of the ruling elements and capitalist circles in Turkey and that history has shown that those who oppose these circles have always been the most oppressed classes.

HAYASDAN-GAYDZER offers a lengthy analysis of this theory and says that cooperation has been established with Turkish separatists and fugitive communists overseas whose announcements are also carried in the paper.

9588  
CSO: 4605/2

ARMENIAN AFFAIRS

ARMENIAN 'TERRORISTS' SAID TO BE SUPPORTED BY GREECE, CYPRUS

Istanbul MARMARA in Armenian 14 Sep 85 pp 1,4

[Text] GUNES writes that the dark and sinister forces which incite and direct Armenian terrorism everywhere against Turkey and Turks and which collaborate extensively with criminals have now been exposed. The paper says that Greek authorities, headed by Lisaridhis, the leader of the EDEK party in southern Cyprus, and Kalamakis, an adviser to Greek Prime Minister Papandreou, officially encourage and incite them to commit crimes. Armenian organizations also enjoy the open support of the leader of the Greek Cypriot administration, Spiros Kiprianou.

Turkish authorities and agencies have determined that there is a close collaboration between Greek Cypriots, Armenians and Greek authorities. This collaboration has been steadily getting ominously stronger and more dangerous portending new crimes and conspiracies.

Specialized news agencies also confirm this fact, and they have been preparing reports which indicate that a major portion of the Armenian assassination attempts against Turkish diplomats in recent years were planned in Greece and south Cyprus.

While preparing these reports it was determined that five prominent individuals are heading this collaboration. The most active of these five is Lisaridhis, the leader of the Greek Cypriot EDEK party, who directs everything from his palatial mansion.

According to the information obtained, just before the Armenian assault on the Turkish embassy in Madrid, Lisaridhis met with leaders of Armenian terrorist organizations in Paris and Bremen. It has also been determined that he was in Madrid when the Armenian terrorists attacked the Turkish embassy.

It is also pointed out that the President of the Greek Cypriot Administration, Spiros Kiprianou, has also been in close collaboration with the Armenians and that he is closely interested in their movement. In this connection it is noted that the Armenian Catholicos of Cilicia, Khoren I, bestowed on Kiprianou the highest award of his church, the Great Cross of Cilicia, for his "extensive and valuable contributions to the Armenian cause."

It is noted in the report that has been prepared that most of the bloody assassination attempts staged against Turkish diplomats in recent years were

planned in the Greek sector of Cyprus and in the Greek capital, Athens, with the collaboration of General Kalamakis, former head of the Greek National Security Council; Silva Akristas, a member of parliament representing PASOK, the party of Prime Minister Papandreu; and other prominent individuals. The said reports cite the following facts as evidence of collaboration among Greeks Armenians and Greek Cypriots:

"Monte Melkonian, the Armenian assassin of Gokberk Ergenekon, an official of the Turkish embassy in Rome, carried a passport in the name of Georgiou Dhimitriou issued by Greek Cypriot authorities.

"The informer who listened to the conversations of the conspirators who were planning in 1978 to assassinate Vahit Halefoglou, then the Turkish ambassador in Bonn, said in his letter that the preliminary work for the plot was carried out in south Cyprus with the financial assistance and moral support of the Greek Cypriots. The terrorists forgot an envelope on the table where they discussed their plot. The envelope contained Halefoglou's photograph which the informer included in his letter to the competent authorities in Ankara.

"In addition, it has been learned that the terrorists who martyred Turkish ambassador Galip Balkar in Belgrade obtained their weapons in Greece. The names of leading Armenian terrorists who operate from Athens with the assistance and encouragement of the authorities have also been learned."

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CSO: 4605/1

EGYPT

ABU-GHAZALAH INSPECTS AIRCRAFT PLANT

Activities At Plant

Cairo AL-AHRAM in Arabic 9 Sep 85 p 1

[Text] Field Marshal Muhammad 'Abd-al-Halim Abu-Ghazalah, deputy prime minister and minister of defense and war production declared that the Egyptian arms industry is advanced and in step with international developments. He also said that there are committees to inspect any sample of these arms before they are sent out.

Yesterday the field marshal inspected the Qadir Factory for Advanced Industries, which produces the Tucano aircraft, Fahd armored carriers, plastic products and planes designed for air force training.

The field marshal inspected the factory departments and visited the primary assembly workshop for the Tucano aircraft, the engine workshop and the quality-control group.

The field marshal then visited the electronics plant and observed the production of communications systems and precision aircraft electronic systems.

Mr Ahmad Zandu, chairman of the board of the Arab Organization for Industrialization, explained that it is proceeding according to a plan drawn up and agreed upon by the organization, the armed forces and the foreign companies. There is an agreement to export the Tucano aircraft to Iraq, and it has started to carry out the contract. There have also been negotiations to market arms beyond Egypt's borders.

He added that the organization's plants are capable of producing the complete Alpha jet. A test firing of the Hawkeye missile has been carried out and judged a success by experts. We have now started serial production and have started to manufacture spare parts for the Mirage 2000 and for other aircraft and for other French companies. There is close cooperation between the organization and the French companies.

Tucano Aircraft

Cairo AL-AHRAM in Arabic 9 Sep 85 p 6

[Text] Field Marshal Muhammad 'Abd-al-Halim Abu-Ghazalah, deputy prime minister and minister of defense and war production, yesterday inspected the Qadir Factory for Advanced Industries, which produces the advanced training jet Tucano.

The field marshal viewed the assembly line for the aircraft, which is considered the most modern advanced training jet in the world and which was selected after numerous different kinds of aircraft had been studied. It is used to train pilots to fly the most complicated high-performance planes, like the F-16 and Mirage 2000. It is a turbo-prop aircraft with the most modern equipment, can be outfitted with all advanced equipment and systems and is easy to maintain. The farsightedness of the Egyptian leadership in its policy of manufacturing this aircraft is demonstrated by the fact that the British Royal Air Force selected it only 2 months ago for integration into its fleet and signed an agreement with Brazil to manufacture it according to the Egyptian model. Field Marshal Abu-Ghazalah indicated his admiration for the workers' skill and urged them to increase their efforts, now that numerous parties have ordered the plane. Iraq has already contracted for it and received the first shipments.

12727  
CSO: 4504/5

EGYPT

# SIGNIFICANCE OF LATEST CABINET RESHUFFLE EXPLORED

Cairo AL-AHRAM in Arabic 6 Sep 85 p 1

/Article: "AL-AHRAM's Statement: The Meaning of the New Cabinet Change!"

/Text/ In the course of the frank, comprehensive confrontation with all challenges which dictate the course of construction and development, the formation of the new cabinet has come about, under the premiership of Dr 'Ali Lutfi, so that the course Mr Kamal Hasan Ali's cabinet began may be continued, the continuity of action asserted and the features of a new stage of difficult national action expressed.

It would be fair for us to say that Mr Kamal Hasan 'Ali struck the heart of the truth when in the letter of his cabinet's resignation he pointed out that he and his colleagues the deputy premiers and ministers had worked with all their powers to realize the higher national goals, watched vigilantly over the basic interests of the people, set out a comprehensive vision of ways for confronting existing problems in a scientific manner based on short and long term planning and reorganized national action in a manner in keeping with renewed challenges and changing circumstances.

The majority of public opinion in Egypt has assuredly observed the truth regarding the contents of this letter of resignation, with its substance, which was that Mr Kamal Hasan 'Ali's cabinet had covered a great distance in realizing these goals through serious purposeful action, full confidence in the awareness of the masses and frank discussion of the truth with them under all circumstances and that the cabinet had felt that it had reached a point in its activity where it considered that a new generation of Egyptians should be given the opportunity to continue the national course, realize the principle of the continuation of action and pursue the stages in it, so that successive generations would be enabled to participate equally in satisfying the trust and paying the tax of public work.

It was great of President Mubarak that in the speech accepting the resignation he should refer to the good effort the former cabinet had exerted and should praise the effort and objective style the cabinet had followed in carrying out this national moral obligation in a manner which was in keeping with the expectations one has come to have of Mr Kamal Hasan 'Ali in the various

positions he has occupied in serving the nation, defending its interests in the course of a continuous record of exertion and sacrifice and putting the nation's higher interests above all considerations as chairman of general intelligence, minister of defense, minister of foreign affairs and prime minister.

AL-AHRAM appreciates Kamal Hasan 'Ali's continued performance of his role to the last moment, unconcerned with the examination and treatment schedules international doctors had set for him more than once. His self-sacrifice in his work and his sincerity in performing his duty caused him to forget the agonizing pains to which he was exposed. Now, the man has the right, for the first time, to be able to travel for treatment and health care, liberated from heavy burdens which no one felt at any time that he was hiding within himself.

It is no secret when we say that President Mubarak had given some ministers who left the cabinet a great opportunity to carry out their plans, and they were not able to realize the tasks requested of them as thoroughly as possible.

It is no secret, either, that some ministers who left the cabinet fully succeeded in performing their national role. For example, there is the gracious Dr Mustafa Kamal Hilmi, deputy prime minister and minister of higher education.

In keeping with the policy of implanting deep-rooted traditions in announcing the letter of resignation and the letter accepting the resignation, the declaration of the text of the decree assigning the new cabinet has been made in definition before the people of the weighty tasks they must carry out, so that everything may be clear, in the light and in keeping with the features of the current stage in which Egypt enjoys the protection of democracy, respect for the people and appreciation of their full right to know the reasons for every cabinet change and the tasks of every imminent stage.

One can say that President Mubarak sensed the people's pulse and their hopes and aspirations when he set the priorities of public action and the tasks of the new cabinet in the text of the speech of assignment, thus asserting that he sensed the citizens' feelings, experienced their problems and truthfully realized what was going on in people's minds.

The assignment speech which President Mubarak directed to Dr 'Ali Lutfi, by virtue of which he would form the new cabinet, represents proof of action on behalf of an important stage on which we are venturing, which we have no way to transcend except through serious, sincere, productive work.

We demand that the Egyptian economy be reconstructed on firm bases and that progress be made with broad steps toward the attainment of economic growth in the context of stability and elimination of the restrictions which hinder production in the public and private sectors.

We demand increased production, the development of services and the reconstruction of facilities.

These are indubitably tasks the government can accomplish only through a response to the people and through the arms and resources of the sweating workers among them.

Then the new government according to the speech giving the assignment, is committed to carrying out numerous requirements of construction and development. Foremost among these demands are the following:

1. Care to avoid increasing burdens on the groups with limited incomes.
2. The codification of a firm system for controlling the prices of basis commodities and services.
3. The realization of greater rates of construction in the housing sectors, especially ordinary housing.
4. The continued development of education in Egypt in a basic, essential manner.
5. The completion within a few years of the reconstruction of facilities in other residential communities, not just the main cities.

These are commitments which we are fully confident it is in the new cabinet's power to accomplish, and we are fully confident it is in the people's power to respond to all the steps and measures necessary to keep up with the course of action for the sake of realizing these goals, which first and last have the interests of the nation and the interests of the citizen as their objective.

Finally, it remains for us to point out that the time has come for the National Democratic Party to play its effective role in keeping up with national action in solidarity with the cabinet and not in conflict with it. It is fortunate that the secretary general of the party is a prominent member of the new cabinet, that the new prime minister was chairman of the economic affairs committee in the party and that the cabinet is the National Party cabinet first and last. The formalities of its formation took place in the party headquarters, an import which no one's eyes must fail to note!

11887

CSO: 4504/479

EGYPT

# SIGNIFICANCE OF CABINET CHANGES DISCUSSED

Cairo AL-AHRAM in Arabic 17 Sep 85 p 7

[Article by Dr Ahmad 'Amir, professor of political science and dean of the College of Business, Suez Canal University]

[Text] An objective observer of the process of cabinet life in Egypt will not find much confusion in understanding the process of successive cabinet changes which have become one of the characteristics of Egyptian political life and indeed of the Egyptian political system over the period of 107 years. That is the age of cabinet life in Egypt, ever since Nubar Pasha formed the first cabinet in 1878 during Khedive Isma'il's era, up until Dr 'Ali Lutfi's formation of the 105th cabinet in September 1985 during the era of President Mubarak. Since the present cabinet system is the result of gradual development throughout this period, it is necessary to study the successive cabinet formations in order to consider the burdens laid on the government's shoulders, whether they be traditional, historical burdens, or new burdens created by developments in the process of Egyptian reality in its political, economic, social, religious and cultural dimensions; this is in addition to understanding Egypt's position as an international center.

Before the revolution, the number of ministries making up the cabinet was 10, but this number began to increase in accordance with new needs, an increase in the population, an increase in government responsibilities, and developments in the understanding of government duties and responsibilities. However, it has been observed that the increase in the number of ministries has often not been an expression of urgent need as much as it has been an expression of a desire to expand or of the failure to understand and comprehend the duties and jurisdiction of the newly created ministries and the limits of their activities. This is indicated by the fact that some ministries were first established, and then administrations, offices and departments were collected for them in a patch-work and artificial manner. Then, to justify their existence and to prove their importance, those in charge of them could not wait to establish more new offices and departments which were not called for by need or the actual situation. In other words, Egyptian cabinet life has seen the creation of new ministries, the abolishing of ministries or the renewal of ministries that had previously been abolished, or the combining of two or more ministries into one or the splitting of one ministry into two or more ministries. However, the general direction has been a trend towards increasing the number until it

exceeded 40 at certain times, even though a good cabinet organization does not arise from fragmentation or an increase in small divisions, but from the establishment of stable entities that have gone through natural stages of formation.

In 'Abd-al-Nasir's time (1952-1970), during the 18 years, there were 16 successive cabinet formations. In other words, the average age of a cabinet formation was 13.4 months. During 'Abd-al-Nasir's era, three different periods can be distinguished. During the period from 23 July 1952 to 27 April 1954, the average duration of a cabinet formation was 3 months. During the period from 1954 to March 1964, the average duration of a cabinet formation was 2 years, and from March 1964 until the death of 'Abd-al-Nasir in 1970, the average duration of a cabinet formation was 14 months. The number of people who held ministerial posts was 131, and the ratio of military ministers to civilian ones was 1:3, and there was an increasing tendency towards military representation in general ministerial posts, especially during times of internal tension or external threat. 'Abd-al-Nasir became the prime minister in nine cabinet formations, and Muhammad Najib was the prime minister in two cabinets, as was 'Ali Sabri. 'Ali Mahir, Zakariya Muhyi-al-Din and Sidqi Sulayman each held the premiership once.

In al-Sadat's time (1970-1981), during the 11 years there were 16 cabinet formations, meaning that the average duration of a cabinet formation was 8.5 months. It may be noted that the cabinet formation with the shortest duration was Mahmud Fawzi's first cabinet, which was formed in October 1970 and reorganized in November 1970. As for the longest lasting cabinet, it was the one headed by al-Sadat. It lasted for 2 years, from March 1972 to April 1974. The number of people who held ministerial posts is 183, and the ratio of military men to civilians in the cabinet was 1:4, and the ratio of military men to civilians who held the post of prime minister was 1:2, since six people held the post of prime minister, only two of whom were from the military. However, it may be noted that the period during which the military men (al-Sadat, Mamduh Salim) held that post lasted for about 6 years, whereas the four civilian elements held that post for a period of about 5 years. During al-Sadat's time, the cabinet was marked by a tendency towards putting a civilian stamp on it, since the universities represented the main source for filling the ministerial posts.

During the time of President Mubarak (1981 to the present), although this period of time is not enough to make a judgment, it does present us with indications and clear signs. During the period of about 4 years, there have been three cabinet formations, meaning that the average cabinet duration is 16 months. The number of people who have held ministerial posts is 50. The ratio of military men to civilians in the cabinet is 1:10. During the time of President Mubarak, the cabinet with the shortest duration was Fu'ad Muhyi-al-Din's first one, which lasted about 7 months (3 January 1982 to 31 August 1982). The cabinet which lasted the longest was Fu'ad Muhyi-al-Din's second one (31 August 1982 to 14 July 1984), or about a year and 10½ months. Also, President Mubarak has never taken over the premiership of any cabinet formation. Fu'ad Muhyi-al-Din has held the premiership twice and Kamal Hasan 'Ali has held it once, and then Dr 'Ali Lutfi took over the premiership of the present cabinet. The universities

have also represented the main source for selecting prime ministers and ministers, and there seems to be a clear trend towards civilian elements predominating in the cabinet.

The current cabinet has before it certain party and parliamentary mechanisms that enable it to achieve an element of harmony, stability and continuity, for the Egyptian political system has enjoyed political stability during its successive developments and has not been subject to deep disturbances or violent, uncontrollable conflicts. Also, government instability in societies that adopt a bipartisan or multi-party system arises as a result of competition for ministerial posts, or as a result of a struggle between the parliament and the cabinet, but in Egypt the cabinet is a cabinet of a party majority that supports the government and who are always ready to vote with the government and not against it, and so organized agreement takes the place of debates. Party discipline and harmony allow the government to carry out its work without fearing hostility or reluctance from its parliamentary majority, and thus they make for government stability and strength because the parliamentary majority is harmonious and cohesive, and thus cabinet harmony and stability is achieved. Also, strengthening and consolidating the party entity makes party solidarity in the government and the parliament the woof and warp of cabinet solidarity, because party exercise of power causes internal divisions. Therefore, the strength and stability of the government depends on the strength of party cohesiveness and the discipline of the parliamentary majority in voting in the interest of its government. Thus the party's control over the legislative and executive powers brings about cooperation and harmony between them, and prevents the occurrence of a struggle between them, which guarantees political stability and cabinet stability as well.

12547

CSO: 4504/7

EGYPT

# EDITOR CRITICIZES PROFLIGACY OF LIBYAN REGIME

Cairo AL-AHRAM in Arabic 9 Sep 85 p 7

[Editorial: "The Heavy Price That Libya Will Pay"]

[Text] The report from Tripoli published yesterday by the international British news agency Reuter once again shows the dimensions of the economic crisis from which Libya is suffering at the hands of the regime of Colonel al-Qadhdhafi and to which AL-AHRAM has alluded on more than one occasion.

The agency published analyses by diplomats in the Libyan capital that say that the Libyan economy has truly reached the brink of disaster. The Libyan treasury now holds no more foreign cash reserves than are sufficient to cover imports for only 5 months, based on 1984 prices.

This deterioration in the Libyan economy started to appear clearly with the reduction in world oil prices, as a result of which between 90,000 and 110,000 Arab workers have been expelled from Libya. The primary cause is the irresponsibility of the Libyan regime over the past several years and its involvement in adventures with unpredictable consequences in many Arab and African countries, not to mention spending millions on plots devised by the Libyan regime to assassinate Libyan citizens living outside Libya in the different continents of the globe. This is in addition to the unlimited sums of money spent for professional killers and swindlers who were able to convince Libyan authorities of their readiness to carry out the "physical elimination" to which the Libyan regime lends the greatest part of its attention.

Colonel al-Qadhdhafi, who imagined that he was ladling from an inexhaustible treasure as he indulged in his hobby of bankrolling terrorist operations and murder in every part of the world, has now pushed the Libyan economy to the brink of bankruptcy.

The Libyan authorities cannot possibly continue to claim that the solution to their economic problem is to expel more tens of thousands of Arab workers. Loyal Libyans from our brother state must undertake a basic reexamination of the policy of their rulers and become aware of the words of President Husni Mubarak, who said that those who commit this error - be it against the rights of the Libyans or the Arab workers - will pay a heavy price.

12727

CSO: 4504/5

EGYPT

NEW COOPERATIVES TO MARKET PRODUCE ESTABLISHED

Cairo AL-AHRAM in Arabic 16 Sep 85 p 1

[Text] It has been decided to establish a cooperative in every governorate to market its vegetables, fruits, eggs and poultry without middlemen in order to control prices. These commodities will be sold by each cooperative in the markets, or they will be gathered in major centers for delivery to the consumer cooperatives. This will provide control over the producers' profit margins so that they do not exceed 15 percent. It has also been decided to establish 40 new outlets in Cairo and al-Jizah as well as three markets in order to increase the distribution outlets. This was decided in a meeting held yesterday by Dr Naji Shatlah, minister of supply, with Mr Yusuf Sabri Abu-Talib, governor of Cairo and Dr 'Abd-al-Hamid Hasan, governor of al-Jizah.

Tharwat Abu-Zayd, president of the al-Ahram Company for Consumer Cooperatives stated that he will begin to carry out this plan immediately. He asserted that the ministry encourages the establishment of these cooperatives and will undertake to provide interest-free loans to farmers as long as their profit margin does not exceed 15 percent, and to provide producers with packaging machinery so that a part of production can be delivered packaged. An agreement was also made to deliver the entire private-sector production of eggs, estimated at approximately 400 million eggs, to be sold at 7 piasters each, to the cooperatives, and to deliver the poultry produced at cost.

In addition, Dr Yusuf Wali, deputy prime minister and general secretary of the National Democratic Party, will hold a meeting tomorrow to be attended by the ministers of the interior, supply, local government, industry, as well as by the governors of Cairo, al-Jizah and al-Qalyubiyah to discuss ways to market fruits and vegetables without middlemen in order to control prices.

Mr Ahmad Nuh, chairman of the party's Supply Committee, explained that the meeting will discuss a working paper prepared by the committee on ways to market fruits and vegetables that would include increasing the number of distribution outlets while consolidating marketing centers that will be established through the efforts of citizens themselves in small "markets" at the sites of housing collectives in Greater Cairo, provided that these markets include an office for the police department in its district, which would assure that the prices would be monitored and controlled.

He added that the plans calls for the companies of the Ministry of Agriculture to deliver their fruit and vegetable production directly to the public-sector distribution companies or to citizens' cooperatives instead of buying them in the market and redistributing them.

EGYPT

# PROBLEMS OF INADEQUATE COTTON HARVESTING MANPOWER REVIEWED

Cairo AL-JUMHURIYAH in Arabic 31 Aug 85 p 12

/Article by Muhsin Muhammad: "From the Heart"/

/Text/ The cotton crop's affliction by the worm this year is greater than any which has befallen the crop in the past 10 years.

The reason for this cannot be attributed solely to the high temperatures reached this year but must also be attributed to neglect of resistance by hand, which is considered a decisive factor in reducing the figures on the affliction if peasants carry out this process at the right time, that is, in the initial stages.

Officials say that the number of people working in rural areas has dropped greatly in spite of the large wages peasants receive for working in the fields. No peasant would have dreamed of such a wage before; it is to be considered high when measured by calculating the rise in prices now over a previous level.

The only explanation for the migration of peasants from villages is that they earn as much in the cities and on top of that means for comfort, enjoyment and recreation are available in the cities, none of which the peasants find in their villages.

What is the solution?

The long-range thinking holds that that is to improve residence in the villages, establish new housing and bring in water and sewers and that the peasants will return to the villages. It became apparent recently that the housing shortage has moved from the towns to the villages.

However, it takes a long time to carry out these projects and ideas, and their realization enters into the coming development plans, while the situation requires a rapid resolution.

The short-range thinking holds that the system of education works to provide accountants, engineers and technicians. As far as farmers go, technical and

higher agricultural education do not enjoy as much attention and encouragement, and the graduates of these schools also flee to the cities, same as the peasants--indeed, before the peasants.

The land reclamation process is proceeding slowly and cooperative societies in the rural areas are suffering from a thousand problems and aberrations. The introduction of modern mechanical agricultural equipment has not yet been achieved, and the companies importing these machines are suffering from interminable problems.

The solution lies in encouraging the peasants' children to go to agricultural schools, establishing primary and preparatory agricultural schools and solving the problem of Egyptian agricultural and vocational labor in general. Educated people in Egypt are now at the back of the class!

11887

CSO: 4504/479

EGYPT

FEDERATION CONDEMNS LIBYAN GOVERNMENT CRACKDOWN ON EGYPTIAN LABORERS

Cairo AL-JUMHURIYAH in Arabic 18 Aug 85 p 3

/Article: "The Egyptian Workers' Federation: Al-Qadhdhafi's Measures against Workers Are a Grievous Violation of International Laws"\_/

/Text/ The Egypt General Federation of Labor Unions has issued a statement condemning al-Qadhdhafi's measures against workers. This is its text:

The Egypt General Federation of Labor Unions has discussed the arbitrary measures and provocative practices the Libyan regime is carrying out against thousands of Egyptian workers in Libya with extreme interest. These have included termination of their work contracts, their immediate deportation with their families, the failure to transfer their savings to their country and the confiscation of their personal possessions, which they purchased with their own money. This constitutes a frank violation of everything international laws and agreements have stipulated regarding the rights of workers outside their own countries and the principles contained in the Charter on Human Rights with respect to freedom to work and travel.

Col al-Qadhdhafi's dismissal of 100,000 of Egypt's workers who are contributing to the activities of construction and development for the sake of the good and the benefit of the Libyan people is a savage measure which Arab dignity and genuineness renounce and the Arab and national conscience rejects; it is a measure directed more against the fraternal Libyan people than against Egypt.

Egyptian workers, for years prior to al-Qadhdhafi's regime, helped think and act to build and redevelop Libya. In the course of this, they offered the most loyal self-sacrifice and most sincere efforts, and the achievements Egyptian manpower has realized in all areas of Libya are greater than all al-Qadhdhafi's efforts to alienate competent and expert Egyptians from their natural place in service of the goals of development and welfare for the Arab people everywhere.

## A Grievous Violation

The Egypt General Federation of Workers' Unions, while in the name of all the workers of Egypt and their labor movement articulating condemnation and denunciation of all the measures al-Qadhdhafi and his ruling regime have committed against the Egyptian workers, which represent a grievous violation of international laws and agreements, calls on Arab union organizations to stand up to these practices and stop the Libyan terror, which is threatening all Arab laborers working in Libya, whose effects have extended to threaten the brother workers of Algeria, Tunisia and the Sudan with expulsion and immediate deportation, while foreign workers in Libya enjoy all the rights and guarantees the Libyan regime, which distorts the Arab face of the Libyan people, ensures for them.

The Egypt General Federation of Workers' Unions also requests the International Labor Organization, the Arab Labor Organization and the International Human Rights Committee to adopt positive, effective measures to protect workers in Libya, preserve their rights and stop the terroristic practices and arbitrary measures being committed against Arab workers working in Libya in general and Egyptian workers in particular, as a direct aggression against international labor laws and documents and a violation of human rights.

11887

CSO: 4504/479

EGYPT

#### JOINT PROJECTS WITH SUDAN

Cairo THE EGYPTIAN GAZETTE in English 2 Oct 85 p 2

[Text] Means of supporting Egyptian-Sudanese joint projects in the fields of roads, telecommunication and river transport were the main topic of discussion at the talks which started yesterday between the Minister of Transport, Telecommunication and Maritime Transport, Mr Soliman Metwali, and the Sudanese Minister of Transport, Mr Peter Gat Koat.

Wadi Halfa-Aswan road is one of these projects, said Mr Metwali, and it will cover a distance of 320 kilometres. The first 50 kilometres from the direction of Aswan is already complete and open for traffic. The cost of this stage is LE 4 million. He added that the second part of the road from Kilo 50 to Kilo 150 is also paved and the first 20 kilometres of it is open for traffic, while the remaining 80 kilometres will be opened soon. The costs of the second stage amount to LE 9 million. The third stage includes building 70 kilometres at a cost of LE 8 million. The last stage which includes paving LE 100 kilometres will cost LE 5 million.

Mr Metwali also said that Cairo, Aswan, Abu Simbel and Atbara will be linked by means of a microwave network with a capacity of 960 channels in addition to a TV channel. He said that the project will take 18 months to complete. He added that there are currently five tele-communication circuits between Cairo and Khartoum in addition to five telephone circuits working through satellites.

The Minister also pointed out that the capacity of the river transport between Egypt and the Sudan via the High Dam Lake is 155,000 passengers and 70,000 tons of goods annually. The Egyptian River Transport Authority prepared all the designs concerning the building of Wadi Halfa new harbour which will cost LE 20 million.

CSO: 4500/8

EGYPT

#### NEW COAL COMPANY

Cairo THE EGYPTIAN GAZETTE in English 26 Sep 85 p 2

[Text] Work will soon start on setting up the first public sector company for coal production and marketing. The company will start its activities by extracting 350,000 tons of coal yearly from el-Magara mine, to be raised to 650,000 tons after three years. The Minister of Petroleum and Mineral Wealth, Mr. Abdul Hadi Kandil said that the coal reserve of the mine is estimated at 25 million tons.

The investments of the project amount to LE 122 million of which the British government will extend 50 million pounds sterling. The British Prime Minister, Margaret Thatcher signed an agreement to that effect during her recent visit to Egypt.

The new company will be affiliated to the Geological Survey Authority, said the minister. The company will also search for other coal seams so as to realise the country's self-sufficiency in coal and thus save almost LE 240 million a year. A number of national banks have expressed their readiness to contribute to the capital of the company, said Mr. Kandil.

Meanwhile, another agreement will soon be signed with a British company to search for gold in an area of 5,000 square kilometres in the Western Desert, he said. Gold extracted will be equally divided between the country and the company.

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EGYPT

EGYPT'S POPULATION FACED WITH CONTINUAL GROWTH

Cairo AL-JUMHURIYAH in Arabic 29 Aug 85 p 2

[Interview with Dr Mahir Muhran by Nahid al-Minshawhi in Cairo: "Do Not Expect a Drop in the Census for 100 Years; Bad Service and Not Religious Stand Is the Obstacle That Faces Us"; date not specified]

[Text] This man is in a difficult position and his mission is even more difficult.

His profession is obstetrics-gynecology. His success, by professional logic and criteria, is to bring into the world as many babies as possible. By professional logic and criteria as well, as the number of pregnancies goes up in Egypt, this man is guaranteed an increase in the number of patients, income and widespread fame!

But his mission conflicts with his profession. He is the rapporteur of the National Council on Population and Family Planning [NCPFP]. By virtue of this mission, he is responsible for any population increase in Egypt. His success in this mission calls for fewer pregnancies, a lower birth rate and a family no bigger than five members, including the parents!

If only this were the whole story.

Some people regard him as a parasite interfering in the most intimate affairs and keeping an eye on them all the way to the bedroom.

The shaykhs from their rostrums ask for his head. The economists accuse him, with any new census figures, and say that his newborn babies devour any actual or projected development revenues and spoil all their efforts to raise the standard of living.

His job sometimes requires dealing with local authorities or with some ministries and neither side is pleased with him.

Amid this climate charged with currents and sensitivities, Dr Mahir Muhran is expected to operate calmly and with as little hubbub as possible in his capacity as chairman of the National Party's Population Committee and as rapporteur for the NCPFP and to achieve success in lowering the rate of population increase.

Perhaps he is in fact attempting to do just that.

[Question] What topics will be raised for discussion in the first meeting of the NCPFP to be chaired by the president?

[Answer] The first meeting of the NCPFP has a special significance and therefore we took our time to prepare for it. The prime minister held a special meeting in the preparatory session attended by all the competent ministers and some council members. We reviewed all the developments that occurred following the establishment of the council and also the results of our meetings with the financial backers and our projections in order to prepare for the budgets.

[Question] What happened in the preliminary meeting?

[Answer] We decided to form working groups:

- A working group for population policy which will present the final opinion regarding the population policy which the party has ratified and submitted to the council. This group is headed by Dr Subhi 'Abd-al-Hakim.
- A group for planning and programs dealing with the population problem. It includes all the ministers and its rapporteur is the minister of planning.
- A project financing and allocation group.

By correlating the last two groups, we are able to say what we will do in a given period.

[Question] Is this meeting different from the meetings of the previous councils?

[Answer] Certainly. Everything to be presented to the council will be given to the members at the beginning of September, or 2 weeks before the meeting, so that they may study it in order to avoid being surprised on the day of the meeting with a huge number of papers which cannot possibly be read, thus expelling the old idea that these meetings are not important.

[Question] Will all the foreign-financed family planning projects be presented in the council meeting?

[Answer] The council will hear a review of past projects, some of which have been canceled and others amended. They total only 17 projects. The council will also ratify the reports of the project directors and job allocations for the finance committee.

[Question] Will the second national conference on population be held as scheduled in March 1986 despite the delay in forming the council?

[Answer] One of the main recommendations of the first national conference on population was the National Council on Population. It is one of five recommendations, some of which have been implemented in the fields of housing, conquering the desert and irrigation.

[Question] How many recommendations have been implemented so far?

[Answer] The first conference issued 90 recommendations, 30 percent of which are being implemented. This happened before the council took its official form. The conference was held on 29 March 1984 and the council was created on 25 January 1985, or almost 1 year later. There were projects that had been halted or suspended and there was no coordination between them. The purpose of the council was to assess the features and results of every project, not only through reports and paperwork but also through field visits. The council must have freedom of movement in order to ascertain work progress.

[Question] How many foreign-backed family planning projects were there prior to their liquidation?

[Answer] The number was huge. There were projects of 3 million Egyptian pounds, and there were ones of 3,000 Egyptian pounds. Some of the projects which received considerable backing were:

- The population and development project for the Population and Family Planning Agency.
- The health ministry projects.
- The Mobilization and Statistics Agency has huge sums of money for census projects, including the 1986 census.
- Universities.
- The family of the future.

Around these projects are several small ones, some of which are too small to have any "impact." For example, the population education project includes thousands of pounds offered as rewards, but not one portion has actually been spent to change or publicize population systems.

Many projects have been halted. The philosophy used to be that nothing would be halted before studying a national project and preparing for it well. The new projects will start in a few months following a detailed study.

[Question] How is the work progressing at present?

[Answer] This phase is in a 6-month transitional phase during which we agreed on some interpretations and disagreed on others. We encountered some sensitivities and difficulties. Now there is no call for sensitivities. The council includes all the ministers who oversee the implementation of the projects: information, planning, health, education and social affairs.

[Question] Will incentives be maintained or canceled in the new phase? And what has been accomplished by the incentive committee which was formed by the party's population committee?

[Answer] The most important topic the party is discussing concerns the matter of incentives. It was agreed that this matter should have a clear policy that guarantees incentives to those who are entitled to them. Under the old system, incentives did not go to the deserving and the person who actually did the work did not receive any incentives. The incentives were stopped for 2 years and everything came to a halt.

[Question] What are the council's new powers?

[Answer] The council oversees all existing projects whereby spending is totally rationalized. I have banned any family planning conferences from meeting at hotels. The most recent case was today when I refused a request to hold a conference at the Aytah Hotel in Ismailia during the "Adhah holiday. I asked that all conferences be held at the National Council on Population meeting halls, all of which are equipped for such conferences.

The same thing goes for foreign travel, training courses and conferences for which initial council approval must be obtained.

I was surprised to learn that one foreign-backed project brought in a foreign advisor to oversee and inspect the project in the winter and an Egyptian advisor was dispatched in the summer to submit reports and receive training!

In other words, a foreign advisor to spend a winter vacation in Egypt and an Egyptian advisor to spend a summer vacation abroad!

I have put a stop to such laxity. Every project must now submit a quarterly report and if the technical committee finds any improprieties, the matter is brought to the council's attention before it is allowed to continue.

[Question] Some say that there is no difference between the Higher Council on Population and Family Planning and the National Council on Population, contending that there has been only a change of name and shingle.

[Answer] On the contrary, there is a very great difference between the two councils.

The Higher Council on Population and Family Planning was headed by the minister of health and dealt with population and family planning.

The current National Council on Population considers all dimensions of the population problem and is headed by the president of the republic. Membership in the old council was based on employment while the members of the current council are chosen for their specializations. The old council did not meet much and did not have effective powers, and its resolutions were not binding.

All the resolutions of the current council are binding with respect to official and non-official sides.

The old council considered the Family Planning Agency as its secretariat, while the current council has its own rapporteur who takes care of all its affairs and holds periodic meetings. Suffice it to say that prior to the first session, it held a preliminary meeting under the chairmanship of the prime minister.

Moreover, the old council held only one session in the last 4 years!

[Question] What role can the governorates play in view of the fact that they are the source of the population increase?!

[Answer] We have started with the "Rapid-2" project for the governorates. I now have population data on each governorate and we met with some governorates. Now the program is sent to the population policy planners in each governorate to provide them with the necessary data.

This program will be presented at the governors' meeting with the prime minister.

The local government conference revealed that, the local government law notwithstanding, implementation is not commensurate with the powers guaranteed by the law and the decentralization process needs some reform.

[Question] Have changes been introduced to the family planning offices in the governorates?

[Answer] Yes. We have established a new office in each governorate and have gotten rid of surplus employees or appointees from other sides whose family planning work was superfluous.

We advertised the position of family planning office director and have received some applications. We have not been able to fill all the office director positions in all the governorates because this job requires high qualifications. We are on the way to filling all positions in the next few months.

We have also made adjustments to the women rural pioneers. The pioneer has friendships in every house she enters. We have now cut their number from 3,000 to 1,500 and have doubled their salaries to give them piece of mind in performing their duties.

[Question] Some governorate leaders and some National Party members contend that the population increase is a blessing rather than a curse.

[Answer] If a situation exists, it must be changed regardless of the governor or any other individual. The governor must believe that a population problem actually exists. Furthermore, there is a party commitment to the party's general policy, including the population policy. If a government line and a declared policy do exist, they must be adhered to. It is true that every person is free to say whatever he pleases, but if he departs from his party's policy, he must resign or the party must dismiss him. This is what happens in all parties of the world. However, I am not the party's secretary general to

undertake such a measure. I am chairman of the party's population and family planning committee and I act within the bounds of my capabilities. If I find that a member of my committee is claiming, for instance, that there is no population problem or is demanding legalized abortion, I will immediately ask for his exclusion from the committee's membership.

[Question] Why have modern contraceptive methods not been heretofore introduced in the national population program?

[Answer] We are always lagging behind for no other reason than wasting time. A scientific committee has been formed in the National Council on Population and the health minister has approved the move to make it the only committee which has the final say in family planning methods.

This committee is chaired by Dr Mahmud Fathallah, dean of the Asyut University Medical College, and includes gynecology professors who have completed remarkable research in this field regarding what has been used and what is expected to be used in the future.

The truth is that the delay in introducing contraceptive injections to the national program was based on the fact that the minister of health, who has every right in this domain, asked for a report from the scientific committee before giving his approval. He adopted the decision only last 29 July.

Consequently, we reached an agreement with the health minister since then to use some of the unused money at the World Bank to import the injections following the committee's approval and after setting all the necessary guarantees, particularly since we are not dealing here with sick people but with healthy women.

There is a great demand for contraceptive injections and we will try within the month to make them available to anyone wanting them.

[Question] It is said that the position of religion on the use of contraceptives is the main obstacle facing family planning?

[Answer] I do not agree at all with this statement. The obstacles, in my view, are represented in the lack of good services. Scientific studies have proven that 30 percent of women go through unwanted pregnancies. My chief cause now is to prevent all unwanted pregnancies. If I can achieve this objective, I will have accomplished much.

[Question] An opposition newspaper published a legal opinion by Al-Azhar's rector that family planning is forbidden.

[Answer] Al-Azhar does not object to the use of any family planning methods. The rector expressed his view on several occasions when he was the mufti of Egypt. We have a great number of legal opinions which emphasize that birth control is needed and is also desirable for the health of the mother and the child.

The Islamic religion is superior to many religions for it allows contraceptives for the sake of the mother's health in cases of severe hemorrhaging or heart or kidney disease. However, if some people wish to drag us into an unlikely discussion, we do not have time for conflicts and prattle because we have very little time in which to what is needed.

[Question] It is being said continually that in the family planning budgets an enormous amount of money is being squandered right and left because it all comes from aid and there is no control over it.

[Answer] The fact is that family planning receives no more than 1 percent of the aid the government receives, or \$20 million out of the \$2 billion the government receives in total aid.

Nonetheless, there have been many cases in the past in which aid was not used and was returned to its donors, for example:

- Great Britain withdrew an unspent sum of \$4 million 4 months ago.
- The [aid from the] World Bank, following several attempts to extend the \$9 million for 2 years, has not been spent yet and the deadline is the end of next December.

This means, of course, that \$9 million out of \$20 million have not been expended.

[Question] Why has the money not been spent?

[Answer] When a project encounters difficulties, it comes to a complete halt and its funds are frozen or withdrawn. It is difficult to divert funds from one project to another.

[Question] Was there anything new in the new agreement concluded last week between Egypt and the U.S.?

[Answer] Of course. Many articles in the agreement for the first time are in conformity with Egypt's interest. The new agreement includes the following:

- No money shall be expended for abortion as a family planning method, not even for scientific research in this field.
- No money shall be expended for sterilizations.

These are two parallel opinions between Egypt's population policy and the U.S. government. Prior to the Mexico Conference, the U.S. used to give China \$25 million for abortions and sterilizations. The U.S. has since changed its mind, cutting aid and canceling aid to any country that spends it on abortions or sterilizations.

This is in keeping with the party's policy of no sterilization and no abortion.

Another point contained in the agreement is that the financial backer perceived a seriousness of action, so it released \$6 million it had frozen to be spent on other projects.

This \$6 million was for the population and development project. The agreement also stipulates that we are free to use the aid as we see fit and no one can dictate his own terms. This is a new article in the agreement which gives me the right to stop unsuccessful projects and divert their funds to successful ones.

[Question] What new projects does the council have?

[Answer] Projects for providing jobs for women, projects for children and projects for eliminating illiteracy. They all need time and there is no room whatsoever for improvization. I believe in the policy of quality, not quantity, and prefer, within the bounds of my abilities and capabilities, to undertake 1 or 2 successful projects instead of 10 unsuccessful ones.

[Question] What do we think about the common confusion between the population issue and the housing issue which sometimes occurs, even at the leadership level?

[Answer] Confusion does in fact exist, either out of good faith or ignorance. Housing is a population problem and I have received many letters, sent to me at the Population and Family Planning Committee, asking for apartments despite the fact that we have a housing committee. These people cannot be blamed.

[Question] Can you achieve palpable success in the population and family planning problem?

[Answer] I can openly and clearly state that the rural population increase will raise Egypt's population to 92 million in 25 years.

All population and scientific studies undertaken in Egypt indicate that, with serious work and good health services, we will hit the 92-million mark in 25 years. This figure can be reduced by only 8 million by preventing unwanted pregnancies.

These are our capabilities.

As for the increase, it is certainly coming through scientific means because 40 percent of Egypt's population is under 15 years of age and will marry and have children. Egypt's population will not drop in 100 years!

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EGYPT

BRIEFS

NEW SULPHUR MINES--Experts of the Geological Survey Authority have discovered new sulphur mines in the Tuani district, to the west of Siwa, Oasis. A technical committee has been dispatched to the area to conduct feasibility studies on exploiting these mines. Mr Yousri el-Shami, Governor of Matruh, stated that the committee will prepare a study on the possibility of setting up a plant for manufacturing sulphur in Siwa, due to its proximity to the mines. The committee will also decide on the most economical ways of transporting sulphur to Alexandria. The Governor added that the proposed sulphur plant would provide job opportunities for about 5000 inhabitants of the oases. [Text] [Cairo THE EGYPTIAN GAZETTE in English 24 Sep 85 p 2]

INDUSTRIAL CONVERSION--Projects for converting Fayyum into an industrial area are currently taking place. The Governor of Fayyum, Mr Tharwat Attalla, said that a new factory manufacturing plastics will be set up in the Karoun Lake area. He added that the factory will cover the needs of north Upper Egypt Governorates. A sum of LE 2,300,000 has been allocated for the completion of a dairy products factory, and a factory where slaughterhouse waste will be treated. Meanwhile, LE 40 million is allotted for agricultural, development projects in Atsa district with the object of improving the soil and implementing new irrigation projects in the area. [Text] [Cairo THE EGYPTIAN GAZETTE in English 2 Oct 85 p 2]

TRADE WITH EAST GERMANY--East Germany has agreed to contribute to a number of the Ministry of Supply and Home Trade's projects, costing 24 million dollars, said Under-Secretary of the Ministry for Foreign Affairs, Mr. Magdi Abdul Gawad. The German side will replace and develop 3 mills in different governorates. It will also establish 112 silos with a total storage capacity of 60,000 tons of grain. This project will take two years to complete and its cost will reach 10 million dollars, he pointed out. Mr. Abdul Gawad also added that 200 other silos will be erected adjacent to rice threshers. Their total capacity will be 90,000 tons. Two threshers, one in Alexandria and the other in Gharbia, each of 200 tons capacity, will also be developed. [Text] [Cairo THE EGYPTIAN GAZETTE in English 18 Sep 85 p 3]

TRADE WITH USSR--The Soviet Union will supply Egypt with spare parts and equipment for the Helwan Iron and Steel Company. An agreement to this effect, worth 11 million pounds sterling was signed recently with the USSR. The new equipment will boost the production of steel to 100,000 tons annually. Soviet experts will be dispatched to Egypt to help install the spare parts and the equipment. [Text] [Cairo THE EGYPTIAN GAZETTE in English 30 Sep 85 p 2]

SOCIAL INSURANCE MEASURES--Dr Amal 'Uthman, minister of social insurance and social affairs, stressed the need to make it easier for those insured to obtain benefits due to them within a short time, with simplified and uncomplicated procedures. She said that an information system will be developed, a data base will be established and an insurance number will be assigned to each insured person, retiree, and those receiving social insurance benefits. The minister stated that the ministry is continuing to carry out the current 5-year plan, in this, its 4th year. The minister stated in her meeting yesterday with top officials of the ministry that the new phase is one of comprehensive development, which demands that unutilized energy be turned into productive energy by turning all social insurance cases into productive families. She also called for field visits to the site of services as well as communication with the people in order to learn the facts and stop depending on statistics and to follow the execution of projects within the plan in order to reach 100 percent fulfillment of goals as a minimum per year for every phase. [Text] [Cairo AL-AHRAM in Arabic 9 Sep 85 p 1] 12727

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ISRAEL

# INTERVIEW WITH HEAD OF ISRAEL AIRCRAFT INDUSTRIES

Tel Aviv TEKHOLOGIYOT in Hebrew Aug 85 pp 30-35

[Interview with Gen (Res) David 'Ivri, head of Israel Aircraft Industries [IAI]; date and place not specified]

[Text] The cuts in the defense budget are casting a heavy shadow on the military industries which in the past enjoyed an abundance of orders from the defense system. Today these industries are forced to tighten their belts. Once again spotlights are turned on Project Lavi and the public debate over if the project should continue or be cut has again risen to the headlines.

The IAI is the largest high technology industry in the country, and it is also the chief contractor on Project Lavi. A considerable portion of its products are for the defense system so it is natural that the cut in the defense budget raises a question mark over the scope of its activities.

Chairman of the Board of Directors of the IAI, Gen (Res) David 'Ivri, recently returned to IAI after his term of office as assistant chief of staff ended. 'Ivri's decisions will influence the image of the IAI in the coming years.

In an interview with TEKHOLOGIYOT David 'Ivri reveals details on the cuts in orders from the defense system, details his views on the Lavi Project, and discusses the possibility of its cancellation, explains the importance of the area which IAI must enter and answers a series of questions which pour light on the problems and plans of the IAI, along with his personal views on high tech industry and advanced technologies.

[Question] In light of the cuts in the defense budget, are lay-offs expected at IAI?

[Answer] The cuts in the defense budget are real and actual. In the IAI close to \$100 million will be cut in projects ordered in the past. That is to say, from the 1984 allocation, about \$100 million will drop.

The significance is quite great. At the same time, luckily, IAI is in a stage where we have many export orders, perhaps even more than in past years. Therefore, some compensation exists by transfer of work from activities for the defense system to export projects.

We have a problem here which is definitely not simple. We have to retrain employees and alter the work places correctly.

The cut has not yet brought about a situation of our needing to lay off due to the existing compensation via export. It is the IAI's fortune to have enough backlog of orders to enable the compensation. I hope we will not be forced to lay off. Our principal task now is to continue finding export projects, so we do not reach a situation requiring firing. At this time we do not need to do any immediate firing.

[Question] What projects have faced cuts?

[Answer] The cuts have primarily been in maintenance. IAI performed many maintenance activities, principally for the Air Force. I am referring to maintenance of planes and engines. Some of the planes not in the front line received almost complete maintenance at IAI. Proportionate to cuts in flight hours, then indirectly and immediately, these cuts cause a reduction in required maintenance. If we speak in production terms--we will be producing less flight hours for the Air Force.

The Air Force has taken upon itself some of the maintenance tasks and is not sending them out to IAI.

[Question] What was the percentage of export out of total IAI sales in the past year and what is the trend this year?

[Answer] Last year about 55 percent of the sales were to local concerns, principally to the defense system, and the remainder were export. In the coming year the numbers are reversed: 55 export and 45 percent to local concerns. There may be a shift by a few percentage points this way or that.

Last year sales came to approximately \$900 million. This year we are predicting sales of about \$945 million.

[Question] Is there a plan to raise the civilian market share of IAI?

[Answer] We are certainly most interested in increasing the civilian portion. The civilian portion is a market which on the one hand is pleasant to deal with, and on the other hand is more certain if you grasp a certain share of it. Together with this, our relative advantages are not in having gold or oil, but, to my sorrow, in our having undergone wars. This relative advantage is renowned and it creates the possibility of marketing in places where it is difficult to compete.

In the civilian market the competition is much stiffer and thus it is difficult to enter. This is no simple matter. If we could we would enter it more. From a strategic approach we would be interested in entering the civilian market more and we compete for every share of it. In the meantime in the civilian market for sales of executive airplanes we have held our share for a number of years, for example, about 20 percent of the sales of executive class planes in the United States.

[Question] What is the structure of the IAI's world market?

[Answer] In recent years there has been a serious change in this area. In the past the principal market was in developing or underdeveloped countries. This was also the nature of the products--more cheap products and less advanced technology. Five or 10 years ago the principal market was the countries of South America, African countries, and this type of place.

Today the major trend is in the direction of the North American, European, and Far Eastern market. The competition in the market basket is in technologically advanced products and not necessarily in cheap, simple products.

[Question] How successful was the Air Exposition at La Bourget?

[Answer] It is still difficult to assess the success of the exposition in quantitative numbers. When I try to compare this last exposition to previous years, the feeling was that there was greater interest. We had many visits, and delegations from big industries around the world came to our pavilion to speak with the management. This gives some dimension.

I would say that the Air Exposition showed that the IAI has an honored place in the world, not just in Israel. Big corporations are interested in doing business with us. At the exposition some contacts which could be seen as beginnings were made.

It must be remembered that reaching a signed contract is a process that takes at least a number of months. In my opinion it will be possible to determine if the exposition was influential only in another half or three quarters of a year. Our feeling is that yes, there were many visitors, and it is possible that something will come of them. At this time it is not possible to determine this quantitatively.

[Question] In your opinion is there liable to be a cut in the Lavi project?

[Answer] Discussions on Project Lavi have gone on throughout the years. Since the initial decision on the Lavi there have been five changes of defense minister. Every defense minister has looked into the matter since we are talking about a national project constantly in the spotlights of criticism. Usually the investigations have shown that the project was worth continuing.

Since there is a government decision on production of the Lavi, in fact that decision has been in force the entire time. The problem arises if it is appealed. We are assuming that the Lavi is in force as long as the government decision stands, and in my opinion it does.

The Lavi has its own justification for existence. It has a national right to exist which will determine what kind of country we are going to have. In the past we dreamed of producing an airplane of our own. When we produced the Kfir we said that had we started at the beginning we would have done certain things. The same is true of every other thing we have produced.

The Lavi is the first opportunity for us to put in what we are capable of doing, with the many lessons learned from wars and lessons learned from daily operation.

Israel has a serious advantage in that the producer and consumer work together in integrative fashion. It seems to me that there is no country where mission pilots take part in the planning network. It is true that American companies have pilots in their planning arrangement for personal engineering, test flights, and so forth. However, here we have mission pilots from the front lines who do reserve duty during the week and return to apply what they have learned in the field. This is a fantastic advantage.

When we assembled the mock-up, maintenance people from the Air Force came, from the areas of electronics, structure, electricity, equipment. Each came to examine his processes--how he could apply them. Thus, for example, even before assembling the prototype we had already tested if the pump could be taken apart. Today we can already produce the literature which details the technical procedures. This is an unusual advantage.

In my opinion a country without its own plane is a different country. I think we can take two European countries for a comparison: France and England. In certain areas England ceased projects for a fighter plane and other planes. It seems to me that today England is not exactly the leading country in the realm of technology.

In contrast, France, which is a much more daring country, is one of the world leaders and certainly competes even with the superpowers in many technologies, in production, and definitely in the market. In my opinion this is a huge difference.

I do not think that we have to compete with the great powers. However, since we do not have minerals, gold or gasoline--the only thing we can compete with is on the technological front, not only on the military front. If we do not do this, we simply will not be able to exist for much time.

The Lavi as an airplane represents the technological front. This is not speaking just of wings and engine, but rather principally of avionics. Part of the wings, like the composite materials, is definitely the technological front. However, all the thinking behind the software, the integration, the composite materials and electronics, together of the operation--these are things that took much thought and thought is our principal raw material.

[Question] Isn't dependence upon the United States in Project Lavi too great, could it not present an obstacle in the future?

[Answer] Our dependence upon the United States is great not only in the Lavi. There is no denying that. I think a small country cannot be not dependent.

The problem will be in the area of production. Since we work in production blocks we can always decide to evaluate the situation in a certain block as regards the portion of that block to be transferred to the United States and in

another block to do differently. This refers to the Lavi's to be produced for the needs of the State of Israel.

Should we be speaking about Lavi's for export there could be a situation in which we transfer our knowledge, for example, for incentives to one of the American companies, which would bring export to other countries. However, the present stage is to reach production ability for the Israeli Air Force in the required quantity.

[Question] Is the IAI involved in the plan for an Israeli communications satellite?

[Answer] First, strategically we do see ourselves entering the area of space. We have been discussing this over the past months. I have explained to the directors that this is one of the directions we must take. This is not the decision of a man of vision--this is a process which the industry must enter if it wants to remain in the modern era.

Me'ir 'Amit has started a company which deals with this and we have ties with it. The company has found itself a place in the realm of space. We will continue to be in contact with him.

We are interested in entering the realm of civilian space or any other area, including communications, meteorology, and the area of all sorts of satellites, as subcontractors or any thing else. If the American Star Wars Project is in cooperation with Israel, we want to take a serious part in it.

Right now the managers of R & D in the defense system are engaged in talks with various bodies in the United States. We are still investigating the matter and there is no detailed plan. We see the matter of space as an area we must enter.

The problem is how you translate things. I think that for production of the quantity of Lavi's needed for internal needs, we will not have a problem of dependency and the Americans will sell us what we need.

I think that their releasing and making available to us many technologies enables us to develop, and perhaps later will enable us also to enter the realm of space, which Israel has not yet entered enough. Whoever does not enter the realm of space will fall behind in areas in which other countries are already advanced.

The Lavi is another milestone in a certain stage. We have not finished with a fighter plane but rather from here will have to continue advancing.

[Question] Should Project Lavi be cut or should a good portion of it--if not all of it--be transferred to the United States to continue its development and production, how will this affect the activities of the IAI?

[Answer] It seems to me that the government will not suddenly and rudely decide to transfer the project to the United States. The struggle will be in

accordance with economic strength: what portions will it be necessary to transfer to the United States. We will have to deal with the question of what it will possible to do with local financing and what can be done with American aid.

We will have to grapple in accordance with the financial situation. I do not think anyone is going to decide today to transfer the entire project but rather will say that in the existing financial situation we will have to turn a large portion over for the time being and later, if possible, return it to here.

In fact the development approach is a closed issue. The development projects have been given out. There are contracts in the United States for upwards of \$700 million. The contracts here also are more or less closed in most of the development issues.

[Question] Is there talk of building launching means or satellites at IAI?

[Answer] Involvement in space is not always via launching or dealing precisely with satellites; there are also parts within the satellite, for example, a certain advantage we have in a particular area that can be integrated into another system. This also is most important when entering a field.

In the are of airplanes as well we did not start straight out with building a whole plane but rather we developed systems such as navigation systems, weapons target system, and we applied them in existing airplanes.

[Question] In the past, until Project Lavi, there was hidden unemployment at IAI. Is there full employment today?

[Answer] There is full employment. I do not think that the Lavi was the determining factor between full employment and hidden unemployment. This depends on the quantity of export. In my opinion, at present there is full employment at IAI, with a part of it being the Lavi.

[Question] What will the engineers and technicians working on the Lavi do when its development is complete?

[Answer] Today the Lavi employs about 2,100 engineers. In total, the project employs over 4,000 and not only at IAI. Employment on this airplane is comprised of both an engineering side and a production side. It should be kept in mind that the experimental stage does not end with the first prototype or with the first plane to come off the production line. Experiments continue afterward as well when, for example, we want to apply newer technologies or new weapons systems. In the United States as well they are still experimenting on the F-15 even though since 1976 the plane has been operational.

Continued updating of the modernization of a plane is something that will always exist. Of course not with the same quantity of engineering that is required today.

We are now discussing the transition from that height of engineering to the situation in which we will require fewer engineers. It must be remembered that there are factors in our economy that claim that the Lavi is hurting them because it has taken all the engineers. We will be happy to give some of the engineers to the economy, which today appears hungry, although in my opinion its hunger is limited to a few hundred people. Every plant that is lacking 3, 5, or 10 engineers thinks that the situation is critical. However if you add them all up you will find that this is a shortage of only a few hundred engineers.

Therefore--it seems to me that we will be able to set aside some of the personnel for industry, which will win experienced engineers. During the last year, due to outside demand, 140 engineers left IAI. Most of them have about 5 years of experience in all areas of engineering. They left principally for private plants since salaries are generally higher there.

We have absorbed very young engineers. I should note that IAI is turning into a kind of center for intensive study for training engineers. It does not certify engineers but it gives them experience and skills, after which they contribute to all the industry in the State of Israel, not just here.

I fear that should the Lavi project close down, or after the engineering peak, we certainly will have a problem with those people who have acquired skills and great experience, and the entire industry will not be able to absorb them all. This will not be a simple problem.

[Question] You noted that a shortage of several hundred engineers exists in the economy. On the other hand official sources, even factors in industry, say that there is a shortage of thousands. The state comptroller has even published a statistic according to which at the beginning of the 1990's there will be a shortage of between 18,000 - 23,000 engineers, technicians and technical engineers. How does this fit with your determination?

[Answer] In my opinion it is hard to make an accurate prediction. If we take forecasts made in the United States, there, for a period of 8 years, the number of engineering-related employees rose by less than 3 percent while the total work force increased by 17 percent. That is to say, the engineering needs were not as great as the proportionate rise in the work force. In contrast, in the realm of information professions, such as programming, there was a more recognizable increase.

It seems to me that if we are a mirror image of the United States, the needs will not increase the way the forecasts read. I think the forecasts were built more on the period during which industry was in an upward trend.

Needs are also an aspect of the economic situation. For example Elscint was desperate for employees in the past and today the situation has changed. Together with this there definitely is an existing need for technicians and engineers in the areas of computers and electronics.

[Question] What is your opinion of the Israeli engineer in comparison to his American counterpart?

[Answer] The question has to be if the performance produced by a group of engineers is better or not. We have not reached the moon and the United States has. This does not mean that their engineers are better. They simply have money to invest.

Of one thing I am certain: it is possible to find identical quality engineers in Israel in comparison to the United States. For every technologically advanced project that will be carried out here, it is possible to find a team that can carry it out with no problems. That is the test.

If I had the money for a project in which I would need to reach the moon, I think that we would draft human resources of a caliber that would enable execution of it.

I would say that we can compete almost in everything in the area of engineering in the world, and I am not sure that the same can be said of other countries in this region.

[Question] What are IAI's plans in the area of automated production?

[Answer] There is an investment program which has been approved by the board for modernization of all equipment. The plan has been in operation for 3 years and is continuing. The plan includes robotization, although not every thing requires robotics.

We have very modern automation for precision work, such as etching machines on five axes. Some of our machines are the most advanced in the country. We have a few machines here, it seems to me, which only a few factories in the entire world have, and we intend to continue this because I believe that without modern equipment the IAI has no justification for its existence.

[Question] The relative advantage of Israel, as you yourself stated, is its military experience and as a result of that its success in selling military systems. If that is the situation, would it not be worthwhile for Israel to concentrate on producing military systems and not to invest efforts in penetrating the civilian market, which has in it many dangers?

[Answer] Maybe there is greater business risk in the civilian area, since big countries can more easily compete with us. We must, both in the military market and in the civilian market, find projects which do not require massive quantities. In the area of massive production we can not compete with Japan, the United States or another large power. However, there are products, such as a certain medical scanner, for which there is a world wide need for only a few hundred instruments. In this area it is possible for us to compete.

Our relative advantage is flexibility, ability to improvise, to grab a share of the market which is not worth someone big getting into.

The military realm is problematic from the humane aspect. The vision of redemption was "Out of Zion shall go forth the Book of Moses," and not "From Zion will go forth Weapons." We naturally feel objection to the military side. At the same time, the relative advantage exists, although it is time bound. Every so often we have a war. However, if to our joy there is no war for 10 years, this relative advantage will be somewhat lost. I hope that there will not be a war and that at the same time we will develop a civilian market, something which will not be simple to accomplish.

[Question] The IAI maintains its own purchasing delegations abroad, parallel to those of the Ministry of Defense. The delegations employ many students. In contrast, here in the country there are professional purchasing mechanisms which work closely with engineers who can purchase by means of importers. Why is there this need for delegations abroad?

[Answer] As the aircraft industry we must compete in the market and in sales. If the process is too lengthy we would have to maintain large stocks here, which would incur high expenses. Another thing: sometimes it would not be possible to react in time. There are countries that if they are not provided the product within a certain number of months, you are out of the competition. Purchasing time sometimes determines whether or not you can do a project.

A direct acquisition pipeline is vital, so that it is possible to complete a project in time. If you have to go via a system or other purchasing institutions, it usually means a great deal of bureaucracy.

Therefore the conclusion of the IAI is that we must be our own purchasing agent. It is always desirable, of course, to improve the system. The principle is quick reaction on the one hand and small stocks on the other.

[Question] In conclusion, in your opinion, should the Israeli economy even be based on high tech industry or are we talking about an area of high danger?

[Answer] I think there is no choice. I already said that our minerals are the brain. We have no other natural resource.

[Box on p 33]

David 'Ivri was born in Tel Aviv, 1934. In 1952 he attended the Air Force Pilot School. He did his training maneuvers in a Spitfire plane. About a year later he was among the first to undergo retraining to operate the jet airplanes and later was transferred to the first Organe Squadron. While in this squadron, he participated in Operation Kadesh.

Continuing his way in the Air Force, 'Ivri commanded a squadron at the Flight School, a squadron of Mystere planes, and in 1964 received command of a squadron of Mirage planes.

After the Six Day War 'Ivri was appointed head of the operations division of the Air Force and in 1970 received command of one of that branch of the military's bases, and in 1973 he was appointed commander of Air Flight Group,

the number two position in the Air Force. Two years later he was sent to the Technion to learn aeronautic engineering and afterwards was appointed chief of the Air Force.

Upon his discharge from the IDF 'Ivri was appointed, in January 1983, active chairman of the board of directors of IAI. He also was appointed head of the steering committee for planning the Lavi.

A number of months later he was asked to return to the IDF as assistant chief of staff. Recently he again removed his uniform and returned to his position at IAI.

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ISRAEL

DEVELOPMENTS IN AIR FORCE REVIEWED

Tel Aviv HA'ARETZ in Hebrew 18, 21 Jul 85

[Article by Re'uven Peehtzur: "Forced Budget Cut"]

[18 Jul 85 p 9]

[Text] The dependence on air superiority which the Air Force has acquired in the skies of the Middle Eastern arena is one of the fundamental principles of Israel's security concept. Following the results of the Six Day War, the idea took hold that the accomplishments of the air arm are the key to the success of the entire armed forces during wartime. This approach forged one of the basic objectives of the Air Force: to serve as the IDF's interdiction arm. According to those who forge Israel's security strategy, clear air superiority will deter Israel's enemies from starting a war since they know they cannot achieve victory on the ground without air superiority, and they also know that Israel's air force can strike deep within their territory to exact a very steep price. Another Air Force mission is to try to delay progress of the enemy's troops in the early stages of war in order to allow the IDF to call up its reserve units.

In the last war in which the Air Force had to show its strength, it turned out that its capability was rather impressive. During the Lebanese War, Air Force pilots achieved an astonishing ratio of downed planes in air battles with the Syrian Air Force, and, in a brilliant campaign, managed to destroy Syrian ground-to-air missile emplacements without casualties.

These accomplishments apparently prove that the forgers of Israel's security concept can continue to base the IDF war doctrine on the principle of preserving the Air Force's air superiority.

But the evaluations of senior Air Force officers, and particularly the public pronouncements of the commander of the force, General Amos Lapidot, require renewed study in plotting the future course of the Air Force and in the influence that this process will have on the Israeli security concept. Air Force Day, which began today, is a convenient opportunity to do this.

Two significant processes that are taking place simultaneously will have an influence on our ability to preserve the Israeli Air Force's qualitative

superiority. One is the significant cut in resources allocated the Air Force; the other is the massive strengthening of the Arab air forces. An examination of the long-range consequences of these processes must worry those who plan Israel's policy.

In the words of General Lapidot, the reduced defense budget has compelled the Air Force to reduce significantly the number of flight hours. "Even today we are within the danger range in this matter," the Air Force commander said this week. In the past the Air Force was blessed with a relatively large number of annual pilot flight hours, much more than the number of flight hours in the Arab air forces. This year, General Lapidot avers, this number of pilot flight hours is below the minimum established for western air forces, for example, those of the NATO countries.

An inescapable consequence of the reduction in the number of flight hours is a decline in the level of flight. Another much more serious problem is defective education in the lack of an entire generation of young pilots in the Air Force. The principles and fundamentals of battle flying cannot be taught in theory. There is no substitute for carrying out real flights. Cutting the number of flight hours is equivalent to a direct blow to the education of the young pilots. General Lapidot also revealed that, because of the Air Force budget cut, the flights of dozens of qualified reserve pilots have been stopped and some of the Force's planes have been grounded.

The result of this cut should be taken very seriously. If a cut in the number of the ground forces' reserve days is something that can be recouped, the grounding of some of the planes and of veteran reserve pilots will result in a decrease in overall Air Force strength, with no possibility of quickly increasing it in times of crisis.

From a study of the "The Military Balance in the Middle East," published by Tel Aviv University's Center for Strategic Studies, it turns out that the Israeli Air Force has 640 fighter planes, about 30 percent of them obsolete Skyhawks.

The Air Force's quality planes include 40 F-15's and 75 F-16's. In the second rank are 160 Phantoms and 180 Kfirs. In addition, as noted, there are also 185 Skyhawks. Within the next few years the force will be equipped with another 75 F-16's ordered in the United States.

Another significant aspect of the Air Force's quality is the continuing reequipping and improvement of the weapon systems installed in the planes. In this area, too, there has been significant erosion. In order to clarify these matters, it should be emphasized that the operation that destroyed the Syrian ground-to-air missile emplacements exposed to a certain extent the Air Force's equipment and tactics. This, of course, requires that the necessary conclusions be drawn and acted upon.

In principle it is, indeed, possible to preserve the qualitative advantage even with quantitative cuts. But there is a limit below which the reduction in quantity will affect quality as well. Foreign security experts like NEW YORK TIMES military analyst Drew Middleton point to a narrowing of the

qualitative gap between the Israeli Air Force and the Arab air forces. According to these experts' evaluations, it is not at all clear that the Israeli Air Force, even today, could adequately respond to all the missions expected of it, in view of the increasing threats across the border. In alluding to the possibility that the present trend will continue, the Air Force commander today stressed that "if the cuts continue at the present pace, the quality of the Air Force will suffer."

The strength of the Israeli Air Force has been eroding while the air forces across the border have been gaining strength. Even now the Syrian air force has 690 warplanes, including 50 MiG-25's and 190 MiG-23's and Sukhoi 22's and 20's. The Egyptian military has 635 warplanes, including 40 F-16's, 35 Phantoms and 80 Mirage 5's. They will soon be equipped with another 40 F-16's. Saudi Arabia has 205 warplanes, 60 of them F-15's. The Jordanian air force has at its disposal 130 warplanes.

It is not improbable that in the near future Jordan will get another 54 advance F-20's, which will allow the Jordanian air force to carry out attack missions against strategic targets deep inside Israel. In that event all of Israel's territory will be within a few minutes' flight time of Jordanian airfields. The presence of sophisticated warplanes in Jordan will force the Israeli Air Force to allocate a significant portion of its prime aircraft to meeting the Jordanian threat.

The problem of the qualitative gap becomes more serious in view of the joint exercises between the air forces of Jordan, Egypt and the United States. In the view of experts, including General Lapidot, these exercises significantly improve the aggressive capability of the Jordanian and Egyptian air forces. In the words of these experts, these air forces could not have achieved such a capability without American cooperation. For example, the experience that the Jordanian air force is acquiring in the joint exercises, in the participation of sophisticated American warplanes such as the F-15, significantly raises its operational level, which is already considered rather good.

There is no doubt that an understanding of the processes that the Air Force is now undergoing requires a new examination of the security concept, at least in everything having to do with the balance of forces within the IDF and in equipping the Air Force in the future. More about that in the next article.

[21 Jul 85 p 7]

[Article by Re'uven Pedehtzur: "The Lavi Versus Attack Helicopters"]

[Text] Whereas in the past most of the resources allocated to the Air Force were used to purchase advanced warplanes, the data on a future battle arena require scattering the investment in two main directions. In addition to equipping ourselves with first-line warplanes, we must also consider attack helicopters. This is necessary because of the definition of the roles of the various branches of the armed forces within a new security concept.

The army's stay in Lebanon over the last 3 years, which mainly required a focus on responses to regular security problems, did not permit the IDF to

carry out a new study of security concept principles, especially the balance between the different branches. In order to meet the change in the kinds of threats that we face, and especially to respond to the implications of the budget cut, a new and different approach must be forged to the structure of the IDF's strength. Air Force people are getting support for this approach from the defense minister in his instructions to the IDF to begin the process of rethinking the principles of the security doctrine, as is also required by the budget pressures.

According to the prevailing concept in the Air Force, the force could serve as a kind of compensation for the reduction in the ground forces' order of battle resulting from the budget cut. The Air Force would be the one that would delay the advance of enemy troops in the first stages of the war in order to allow call-up of reserve units. The means to accomplish this mission is the battle helicopter. Within the Air Force there are those who claim that had the force had 100 attack helicopters in 1973, the Yom Kippur War would have turned out differently and the columns of Egyptian and Syrian armor would have been stopped already on the first day.

From the statistics of "The Military Balance in the Middle East" it turns out that the Air Force has a total of 20 Cobra attack helicopters and 35 Defenders. An analysis of the battlefield arena in the nineties indicates that the variety of missions expected of these helicopters will significantly increase. Thus there will be an emphasis on nighttime and all-weather flying. Accomplishment of these missions will only be possible with the next generation of attack helicopters. According to the "Military Defense Review" of September 1984, Israel is interested in purchasing the Hughes "Apache" battle helicopter. The main fly in the ointment of a possible deal is that the high price of this helicopter approaches that of an advanced fighter plane.

The Air Force is not ignoring the massive equipping of the Arab air forces with attack helicopters. Even today the Egyptian air force has 56 French Gazelle helicopters and 30 Russian MiG-24 helicopters. Iraq has 50 MiG-24 helicopters, 70 Gazelles and 24 German B.O. 105's. The Saudis are about to purchase Cobras and Gazelles, while the Jordanians have begun to receive the first of 24 Cobras purchased in the United States.

According to the known rules of the game, Israel cannot allow herself an exaggerated quantitative gap or the closing of the qualitative gap in the supply of weapons systems by the other side. Therefore it is almost certain that in the end it will be necessary to acquire advanced attack helicopters. This will constitute an expensive line item in the budget that will heat up the differences of opinion among the members of the general staff.

These differences of opinion, that focus on how to divide the defense budget resources between the ground forces and the Air Force, are intensifying as more details of the Lavi project become known. The Lavi was to serve as the "spinal cord" of the Air Force in the nineties and beyond. The decision to equip the Air Force with Lavi planes was made in 1980, actually in opposition to the recommendation of the Force itself. When five alternatives were presented that year for the purchase of warplanes for the nineties, the Air

Force commanders actually chose the one that did not include Israeli-made planes. But the then Minister of Defense, Ezer Weizmann, decided in favor of a locally produced plane.

Last week Air Force commander General Amos Lapidot declared that he was ready to conduct a reevaluation of the entire Lavi project. This announcement was of considerable significance since he is in a minority among senior Air Force officers in siding with production of the Lavi. Lapidot has been identified with the Lavi since he served as head of the project's directorate, and until last week he left no doubt about the need to continue with its production. But it seems that even Lapidot appreciates that the cost of the Lavi is likely to be much higher than planned. While the defense minister says that the Lavi will be produced only if the Americans finance it, General Lavi explained that there will probably be no escaping the Defense Ministry's having to finance a part of the project. It is difficult to see how, at this stage, such a decision could be taken, while at the same time the battle order of the ground forces is being cut and Air Force planes are being grounded.

While the aviation industry and experts in the Defense Ministry are still estimating that the development of the plane will cost \$2 billion, American government experts claim that it will be more like \$5 billion. According to aviation industry figures, each plane will cost from \$14-16 million, while the Americans claim the cost will not be below \$25 million. It should be noted that the aviation industry's figures are, in part, deliberately misleading. The figures are based on the manufacture of 300 Lavi planes for the Air Force while it has actually been decided to order only 200 of them. Manufacturing a small number of planes, of course, raises the price of each one. One way or the other, it is a project on the magnitude of \$11-13 billion. It is doubtful that Israel can get the United States to agree to finance this entire huge investment. It seems that despite his attempts to postpone the end, the defense minister will have no choice but to raise the issue again before the government. The results of the expected deliberation will directly affect the Air Force's image in the coming decade and beyond. Alternatives to the Lavi, if it should be decided to suspend the project, are American fighter planes already in production, like the F-16. This week senior Air Force officers said that if, because of the budget cuts, they were presented with a choice between continuing the Lavi project and purchasing, instead, F-16's plus attack helicopters, there is no doubt that they would unhesitatingly choose the second alternative.

Another project that the Air Force is deliberating on is the upgrading of its Phantoms to extend their service life to the end of the next decade. This project, termed "Phantom 2000," includes the installation of sophisticated new electronics and weapons systems in the Air Force's Phantoms. It seems that the plan to replace the Phantoms' engines with those designed for the Lavi will be postponed because of the high cost: \$7 to 8 million per plane.

As the military branch that takes the largest share of the defense budget, the Air Force is perceived as a convenient and preferred target among the participants in the debates on the budget cut. There is no doubt that the Air Force, like the entire IDF, can cut its manpower billets and thin out the ranks of officers who populate its staff offices. The Air Force can also cut the vehicle allowance provided its officers, and other things as well, but it is important to emphasize that the grounding of planes and pilots, as has been done this year, may hurt the long-range interdiction capability of the entire IDF.

ISRAEL

COMMENTARY ON SENIOR IDF APPOINTMENTS

Tel Aviv HA'ARETZ in Hebrew 19 Jul 85 p 11

[Article by Ze'ev Schiff: "Who Appoints IDF Generals?"]

[Text] When IDF heads were asked years ago to add the rank of general to the IDF (brigadier general), they approached the prime minister and defense minister at the time, Levi Eshkol, and interceded with him. Among their other justifications was the claim that a total of 17 brigadier generals would be appointed. Eshkol responded in Yiddish with his syrupy humor: Seventeen? We will hardly get moving and there will be 70. Eshkol was right--and wrong. The number of brigadier generals has well surpassed 17 over the years. He was wrong in that the number is already well beyond 70. Over the years the IDF has lost control over the number of generals in its ranks. The brakes have worn down. There has been serious inflation in senior rank billets since the Six Day War, and even in comparison to the period of the Yom Kippur War. This is not simply an outcome of increased strength since certain duties once carried out by a lieutenant colonel are now performed by a colonel and sometimes even by a brigadier general. Duties once performed by second lieutenants are now occasionally performed by majors, especially in the service corps and in the commands.

Lately the media have claimed that the number of generals is larger today than ever before. The problem, as I see it, is not at that rank but before it, at the level of brigadier generals, whose number exceeds a hundred, and at the rank of colonel. Even during the tenure of the previous defense minister, Moshe Arens, it was understood by the IDF leadership that this inflation has undesirable consequences, even for the subject of ranks. Arens instructed the chief of staff to stem the tide of colonels and brigadier generals as much as he could, and with him set up ceilings for these ranks. These ceilings were recently approved by the current defense minister, Yitzhaq Rabin. In a strong and painful effort, more than 60 colonels and brigadier generals were removed within a year and a half from IDF ranks.

That, of course, did not end the problem. There is nothing to prevent a similar explosion of billets and ranks in the future. The problems derive from the method of appointment. It is a defective method, characteristic of armies in developing countries and in South America. With such a system of appointments we can expect to face ebbs and flows in senior ranks and every

few years have to wield the axe and remove colonels and brigadier generals from IDF ranks in an unpleasant way.

The appointment of generals is a very serious matter. Certainly that is true when we talk about a country subject to economic and budget pressures like Israel and an army that, since its founding, has found itself at war every few years. Here in Israel we tend to deride the experience of others, but it would be worthwhile to take a look at the American system, which has stood the test of decades. The appointment of generals in the United States is not the responsibility of the armed forces. The process is not the exclusive and personal matter of the chief of staff and the secretary of defense. Congress approves not only the defense budget but also the billets proposed by the military. The billets are part of the budget. Thus it is predetermined that there will be a certain number of one-star generals, two-star generals and so forth. The military cannot change that number except with the approval of Congress. The chief of staff or the secretary of defense cannot do a favor, be swayed or be appeased even by the very best officer attempting to get a personal rank. If the Pentagon and the military ask for additional generals or colonels they have to raise the question in a new budget proposal.

Nevertheless the selection of generals is made within the armed forces. Each year the officers know that in the coming year a certain number of brigadiers and colonels will be appointed. A candidate not approved for promotion can be put up again the following year, but there is a limit to the number of years that he can remain at each rank. If the officer is not promoted, he has to resign as soon as he reaches the number of years assigned to that rank. For 1985 the NEW YORK TIMES detailed the selection method for new brigadier generals. The names of 2,600 colonels were brought before a committee of 21 generals. From this list 64 new brigadier generals were to be selected. This is the rank that is considered a transition to a rank of high responsibility. The file of each candidate is carefully examined from many viewpoints, and each candidate receives a grade without the members of the committee knowing what grade was assigned by the other members. It is strictly forbidden to send letters of recommendation to the committee or to appeal to it by telephone in order to intercede for a candidate. The committee's list of candidates is generally final, but receives the certification of the secretary of the army or the secretary of the air force and also of the branch's chief of staff. From there the list is passed on for the formal approval of the president and then is submitted to the Senate for approval. Even if the officer has received the billet, he cannot get the salary for his new rank as approved by his commanders and the committee until there is approval of the Congressional budgets. That, as we said, is the tradition and method that have developed on the basis of protracted experience.

And how do we do it? A tradition has developed in the IDF as well, but one that is subject to changes and fraught with dangerous oscillations. There is a committee of generals that takes up the changes in senior duties involved in promotions. The proposals of the committee are presented as a recommendation to the chief of staff. When it has to do with promotion to the rank of brigadier general, the issue depends on two people--the chief of staff and the minister of defense--and on them alone. Over the years we have found that the IDF method is open to pressures, to various arrangements and to compromises.

It is a method that has also brought about deals between the chief of staff and the minister of defense. The latter would delay approval of promotions recommended by the chief of staff until the chief of staff would agree and approve the defense minister's candidates for jobs and ranks. Indirectly this method promotes the creation of cliques in the senior command echelon.

The IDF method of appointments often creates strange distortions. Within this system there is also no avoiding "personal ranks". Without a billet and in a situation where they do not want to abandon a certain officer, he is granted a personal rank by the chief of staff. After the dam was broken in the past, many officers have no choice but to pressure and, at times, to give ultimatums. It is the norm that not to receive a promotion is a sort of insult. Every chief of staff faces such pressures and most have a hard time maintaining the rules that they have set themselves. Sometimes the assistant chief of the reserves is a brigadier general and sometimes, a general. Sometimes the commander of the college is a general, even after they tried to lower the billet for the command and for the college itself to brigadier general. The chief of staff does not have to give any report and needs only the approval of the defense minister. It is a closed issue between the two of them. For example, when they appointed the armor officer and past commander of the task force, Emanuel Sakel, to the rank of general, no explanation was attached. Sakel is certainly a talented officer, but what is of interest is the method, not the man.

The large inflationary spiral in billets and ranks broke out after the Yom Kippur War. Ranks were given out wholesale and billets broke all bounds. The second wave was in the period of the previous chief of staff, Refa'el Etan. In the Women's Corps, for example, and some related duties, some 4-5 colonels were added. And why not? If it can happen with male officers, then why not with female officers? It is no wonder that when a female colonel resigned as the IDF representative in Libi [the servicemen's organization], the chairman of Libi asked the chief of the manpower division that her replacement also get the rank of colonel. The request was denied. Now, finally, the IDF itself feels that it is on a dizzying carousel on the matter of ranks. During Arens' tenure as defense minister, it was decided, as we said, to apply the brakes. Among other things, a special committee headed by the chief of the manpower division, Amos Yaron, was appointed, which placed a ceiling on personal ranks to lieutenant colonel, colonel and brigadier general and which set the time that one could remain in rank.

But these are only administrative brakes, and they are insufficient. Without a legislative framework, it is doubtful if additional inflationary spirals in rank can be prevented in the future. A legislative brake could be applied via billets to be set and approved by the defense budget subcommittee--in collaboration with the finance committee and the foreign affairs and defense committees--headed in previous years by reserve chiefs of staff (Bar Lev and Gur). This is also a good way to remove the pressures on the chief of staff to grant personal ranks. There is a lot of talk within the IDF on the need to reestablish the military's prestige, to make it once again a worthy class in society and the nation. Many officers are proposing the reduction of the standing army to a small force that would be superior and prestigious. It seems that the first step in that direction would be a decisive braking of the inflation of senior ranks that brings to those ranks some who have not really made the grade.

ISRAEL

LONGTERM CHANGES IN SOCIETY DESCRIBED

Tel Aviv HA'ARETZ in Hebrew 9 Jul 85 p 12

[Article by Yoram Beck: "The Israeli Revolution"]

[Text] The crisis that Israeli Society is facing is a total crisis. It expresses the transition pains of a society which once was ruled by a certain political-cultural elite of one shade to a society which is a mosaic of different and varied groups locking a governing elite. This great transition, with its political, economic, and cultural significance is so fateful that we will not be exaggerating if we call it a revolution. Like every revolution, the roots of this change are in pace with the internal life of Israeli society. As in every revolution it is symbolized by several special dates. Some take the year 1967, the year of the Six Day War, as a definitive date, and some see the inversion of power in 1977 as the watermark. The symbolic date of the Israeli revolution does not really matter. It is clear that this revolution was demanded by reality whether we want it or not, and neither sorrow nor nostalgia will stop the course of the life of society as it moves in the ancient rhythm of growth, flowering, and withering. Every historian knows that human societies and governing systems are not eternal, and the secret of their expiration is already enfolded in their commencement.

The sinking and falling of the Eastern European elite in Israeli society is a process that finds expression both in the political and cultural life. We express it in the sinking of the Labor Party, not as a party, but rather as a way of life and thought. For, you see, this social-democratic concept fashioned an entire generation of politicians, economists, labor leaders, authors, and even actors. This concept has many varied expressions--from ways of eating to means of dressing. That world of pretentious concepts of totality which imposed itself on the melting pot which calls itself Israeli society had to burst when it fell upon the reality which seemed stranger and stranger to it. All the literary and cultural clubs today stand as living monuments to a world which no longer exists, and they will not bring it back. This clinging to the "working land of Israel" can be no more than an expression of cultural impotence. What clearly has died can not be brought back to life. And the government which became the "ancien regime" will not be reborn. And when the end of the generation for whom Berl Katznelson and Ben-Gurion were men of flesh and blood comes, the Israeli revolution will celebrate its complete victory, and with a great roar will crumble the unstable structure raised in the past, and it will shatter.

These words are not intended to set a relative value to the revolution. As with every revolution, it contains both good and evil. The new in evaluating new things is not good in and of itself, and that which is old is not necessarily a priori good. But the course of events is unavoidable, and a new world, when one is born, is difficult for those who live in it.

What is this new Israeli society being born before our eyes? It is divided and contradictory within itself. It contains contradictions and tensions between groups that are not yet prepared to live alongside one another, although they have been destined to do so. The extremeness of a few of them feeds the derision of the others. There is still the illusion, and this is only an illusion, that one of the groups--be it secular or religious, or a general public of Jews from Oriental countries as opposed to the remains of the old European elite--is likely to win a position of seniority such as existed in Israel in the 1950's. There are those who claim that in exchange for the seniority which that elite then possessed, it is desirable that another opposing elite take its place. This thought of social "revanchism" is no less dangerous than the demand that lays within orthodox groups to take over control of the social life. At the same time the desire exists within the remains of the Labor Party elite to turn back the clock and to re-establish its control, which to it seems the logical and just cosmic order. Both sides are wrong. We are living in a society whose pluralism is not only an empty slogan for the purposes of elections but rather is a definition of its portrait. This is deep pluralism, similar to that of American society, and like it, we, too, are a society of immigration and ingathering of those coming from different cultural backgrounds, but different from it in that we live in a small-sized country and the internal social friction is so large that it lights sparks of violence and hatred.

But there is no escape from living together and realizing that no group has social or cultural hegemony in Israel. This is the actual Israeli revolution: the disintegration of hegemony as a permanent phenomenon in our public life, and its exchange for multi-polarization and multiple groups. And this new situation is a bit dangerous. It demands of us a greater degree of patience and maturity. It demands that we live without government paternalism, without one behavioral code which is a recipe for imitation. It demands of us that we live alongside and with that which is different: secular with religious, modern with orthodox, big city people with dwellers of small town, kibbutz and moshav, all together in one country which is both modern and anti-modern at one and the same time.

This bending backward is a social experience that is not our province alone. All the Third World countries today are undergoing the trauma of reaction against modernity, together with a need for the achievements of modernity in order that they be enabled to continue existence. The Western countries have also been drawn into the crisis stemming from the rise of ideologies and ways of life that are essentially reactionary in their essence, alongside the factories and achievements of modern civilization. Like other things, the Israeli revolution is more severe than the crises of other societies and is also tied with our degree of ability to exist. Our ability to recognize the unavoidability of

this process, and our ability to find paths to continued functioning of a basically many-shaded society, will in the end determine our survival as a country and as a nation. And if societies larger than ours can permit themselves the luxury of entertaining themselves for a long time with temporary solutions, or unfortunately of attempting to solve their crises by violence from one side or another, we can not do that. The force of circumstances and the national will to exist force us to live with the contradictions and within them, with the different and within it, without any group holding ownership of the definitive values of truth; the same goes for the government. It is possible that from within this difference a new social and cultural creation will arise. But a necessary condition for that is first and foremost recognition (by all sides) of the differences between us as the most striking characteristic of Israeli society, now and in the foreseeable future.

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ISRAEL

## ECONOMIC PROBLEMS ON KIBBUTZIM DETAILED

Jerusalem THE ISRAEL ECONOMIST in English Sep 85 pp 62-63

[Text]

"The issue today is survival, not cutting personal allowances or postponing trips abroad," states an information pamphlet published by the Kibbutz Artzi Movement. The United Kibbutz Movement and the Religious Kibbutz Movement are also getting ready to "trim the fat", advising their members: "if you don't have bread, don't eat cake." Haim Yannai reports.

"This time it's not a recession," warns *Economic Guide '85*, a publication of the Kibbutz Artzi Movement's economic department which was mailed to each family on the Movement's 84 member kibbutzim. "We have reached a state of economic emergency — an unprecedented crisis."

The Kibbutz Artzi Movement's Central Coordinating Committee has launched a campaign against the kibbutzim's complacent attitude toward economic problems. To show how serious the situation was, the *Guide's* editors presented some frightening statistics: output has virtually stopped growing, but expenses are rising. A total of \$524 million was spent on production and consumption in all Kibbutz Artzi kibbutzim in 1981-82. In 1983-84 the figure was \$562 million, and the forecast for 1984-85 is \$599 million. On an average kibbutz (over 300 members), investment came to about \$7 million in 1981-82 and \$7.4 million in 1983-84 — in 1984-85, it could reach some \$8 million.

In spite of increased investment, the average positive balance per kibbutz fell from \$1 million in 1981-82 to \$35,000 in 1983-84, a figure which will probably not be surpassed in 1984-85. This balance, obtained by deducting the cost of daily management of the kibbutz, is, according

to the *Guide*, "the internal source of both investment in production and welfare, and funds for payments made outside the kibbutz, and indicates the kibbutz's economic viability. The fact that it dropped by 65% raises strong doubts about revitalizing the kibbutz economy and keeping up investment."

### Net debt

The *Guide* warns that the net debt of the Kibbutz Artzi kibbutzim has been expanding at an alarming rate in recent years. It reached \$21 million in 1982-83, and \$182 million in 1983-84; in 1984-85 it may jump to over \$215 million.

The heads of the economic department have explained to the kibbutzim that the economic climate has changed, as wage cuts and the subsequent drop in consumption have driven agricultural prices down. Profits on agricultural and industrial exports have also sunk because of competition in the European markets, the depreciation of European currencies, and inflationary erosion.

"Money costs more today," notes the *Guide*. At one time, the kibbutzim enjoyed unindexed loans which essentially subsidized investment and capital return to production. Such loans are no longer given. In fact, even the Yosephthal Committee, which investigated Eshet Finance's activities and published its conclusions last April, maintained that external factors were the main cause of hardships on the kibbutzim, pointing to: "runaway inflation, large devaluations, cutbacks in credit and the steady increase in its price, and cuts in the budgets of the Jewish Agency and the government ministries."

### A real change

The heads of the economic department repeat that the agricultural and

industrial sectors cannot afford a monthly interest rate of 18-20%. In 1983-84, these sectors borrowed \$90 million. Living expenses for all 84 kibbutzim came to \$89 million after reaching \$91 million in 1982-83 and \$81 million in 1981-82. Furthermore, the kibbutzim lost a good deal of money as a result of unsuccessful financial dealings, trading in free shares and other sorts of fictitious transactions, a notorious example being the Eshet Finance fiasco.

The economic department advises the kibbutzim to produce more, shift workers from services to production, increase inter-kibbutz cooperation and create an internal market. "A 10% increase in production will raise Kibbutz Artzi's balance by some \$10 million," claims the *Guide*. "A 5% saving in production expenses can push it up by \$20 million, and a saving in manpower expenses can add \$10 million. We are talking about a \$40-million increase in the balance. Investing less will let the kibbutzim check the growth of their net debt. Accordingly, all economic programs should be revised."

To spread the economic message, the Kibbutz Artzi workers' committee discussed the issues, conferences were held, and the heads of the economic department went to all the kibbutzim to explain and promote the campaign. Kibbutz Artzi's example has been followed by the United Kibbutz Movement (UKM), which held three regional conferences to address the kibbutzim's economic problems; the main topic was cutting investment by 50%. UKM's new program calls for reducing investment in the Movement's 174 kibbutzim from the \$300 million decided on at the beginning of the year to \$150 million. According to the UKM spokesman, Shlomo Leshem, some kibbutzim will not invest at all. All investment programs will be reviewed by the UKM's Central Administrative Committee on the basis of profitability and viability.

### Tax difficulties

UKM resolved to stop building public buildings but to stop up construction of extra rooms that would permit children to sleep in their parents' homes. Last year, many kibbutzim began allowing children to sleep with their parents, thereby markedly increasing investment for consumption purposes. It was, therefore, decided that kibbutzim with 200 members would be limited to an addition of 8-10 extra rooms; the cost of an additional room exceeds \$10,000.

UKM's consumption-investment policy favors young kibbutzim, which will have spent \$450 per member in 1984-85. Most of these kibbutzim are located in the Golan Heights, the Jordan Valley, and the

Arava. In the more established settlements, such investment will not be allowed to exceed \$350 per member. The UKM spokesman said that investment in new equipment for the kibbutz factories — even vital equipment — had been cut and would remain at some 4% of the volume of production.

The Religious Kibbutz Movement followed suit, holding a conference for the economic and branch coordinators of its 17 member kibbutzim. Besides the issues discussed above, the conference also dealt with the problem of taxation and the fact that National Insurance payments had risen even before announcement of the government's economic program. The Religious Kibbutz Movement recommended reducing spending on manpower as much as possible and speeding up the publication of balance sheets, which serve as the basis for National Insurance payments. Publishing the balance sheets without delay is important because Histadrut health-insurance payments are linked to National Insurance payments.

The reform of the Law for Taxation Under Inflationary Conditions recommended by the Steinberg Committee should considerably increase income-tax revenues from the kibbutzim, even in the current year. The new law will be reflected in the end-of-year inventory estimates and in the conversion of equipment into protected assets. Another proposed reform, reassessment of kibbutz manpower expenditures, has got the kibbutzim up in arms since it will soak up the Movement's tax revenues even further.

### Property tax

The government's economic program imposed a property tax which must be paid by August 14: the equivalent of 1% of the value of inventories and 0.5% of the value of business property, retroactive to March 31, 1985. In addition, a one-time acquisition tax was levied on all the kibbutzim and moshavim for signing a land-lease agreement with the Israel Land Administration.

The heads of the Religious Kibbutz Movement believe that the situation demands new norms of behavior. When possible, new expenditures and acquisitions should be postponed and existing inventories should not be replenished or increased, since the government's economic program has not yet been finalized. Because of the price freeze, all sales of industrial and agricultural goods should be sped up, as this can reduce interest payments. Any investment not yet undertaken should be reexamined, since postponing an investment reduces its cost when the real interest rate is rising. Other recommendations made by the Movement concerning investment and

the need to lower the living standard resembled those made by the other branches of the kibbutz movement.

In addition to these general guidelines, the heads of the Religious Kibbutz Movement feel that as a result of the recession which will accompany the economic program, the payment ethic is liable to suffer, causing bankruptcy. They therefore advise checking into the financial soundness of all debtors and customers, and preferably requesting payment in cash and shortening the period of credit. Because high inflation rates are expected in coming months, the kibbutzim should be wary of taking index-linked loans and refrain from cashing index-linked assets like pension funds.

The marathon discussions that have been taking place show that the kibbutzim are truly bracing themselves for a recession. They have begun to confront the gloomy reality that the rest of the country has grown accustomed to over the last year. As economic uncertainty hovers on the horizon, the kibbutzim are starting to come out of their isolation, joining together and forming close ties with the major national institutions. ■

#### **"DON'T BELIEVE IN MYTHS"**

Every kibbutz has a "general store" where kibbutz members can obtain various items free or according to need, like soap, toothpaste and cleansing materials. Other, more luxurious items, like sweets, baked goods and cosmetics, must be paid for out of the members' personal allowances. All items are sold at cost and their prices are not changed. The kibbutz, however, pays the market price to suppliers. Therefore the heads of the Kibbutz Artzi economic department are trying to make their members aware of the changes that have resulted from the jump in prices.

A long line of kibbutz members are waiting for their turn to go overseas. The tradition of sending members abroad, based on a point system which goes according to age and seniority, was established when times were good. This is another thing the kibbutzim can no longer afford. As the Kibbutz Artzi economic guide puts it: "Get out of the rut, don't believe in myths. The kibbutzim are not pyramids."

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ISRAEL

ANALYSIS OF DAIRY PRODUCTION

Jerusalem THE ISRAEL ECONOMIST in English Sep 85 p 66

[Text]

Israel has the highest milk output in the world (8,600 liters annually per cow, on average), thanks to its efficient dairy sector. Yet recently the country has been forced to import milk. Aharon Priel investigates.

In 1984-85, Israel's dairy industry's turnover amounted to \$400 million. In terms of cash flow, the industry is a pillar of modern Israeli agriculture and could, with proper planning, supply all the country's domestic needs and maintain its own growth and stability to keep pace with consumption patterns and population increase. An Israeli cow even recently won a UN-sponsored international competition for the highest yield of milk, fat, and meat and the fastest growth. Israel is certainly on a par with the big "dairy powers" — Holland, the US, and Germany.

Still, like other industries, dairy production has "gone haywire" because of changes in government subsidies. Says Zvi Gur-Aryeh, director-general of the Dairy Council: "Sharp fluctuations in subsidies and production quotas far below the level of demand have stood in the way of a controlled rate of development." For example, the public consumed 767 million liters of dairy products in 1984-85, although farmers were subsidized for only 745 million liters. This "under-subsidizing" resulted in an income loss of some \$4.5 million.

The Treasury and the farmers have an understanding that domestic agricultural production should satisfy all domestic needs. But while consumption has grown steadily in recent years, production quotas have lagged far behind. The result: for the first time in years, farmers cut back production since they were not being subsidized for anything above the quota, and the Dairy Council

was forced to import 4,000 tons of milk powder — or 45 million liters of milk — at a cost of \$3 million. "The dairy industry can meet all demands without any additional investment, since the infrastructure already exists. Hard currency could have been saved. The only obstacle was the level of quotas," explains Gur-Aryeh.

In 1984-85, the average subsidy rate for consumers on dairy products has been 80%. Farmers wanted it reduced to 25-30% to serve as an efficient planning tool. But the government's new economic program has cut it down to 18%. Yossi Dror, the Dairy Council's chief economist, does not believe that the recent price increase will reduce milk consumption, because of the *relatively* low price of basic dairy products.

Over the past 10 years, milk production has grown at an average annual rate of 3.5%. Gross milk production supplied to dairies came to 773 million liters in 1984-85. Any surplus of subsidized products on the local market was absorbed by the food industry. Gur-Aryeh points to several recent positive developments in the consumption of dairy products in Israel: the greater variety and improved quality of products, convenient packaging, a shift to milk products with a longer shelf-life, and a preference for milk products over the more expensive carbonated beverages.

Milk for drinking constitutes one third of production volume, another third is processed into soft cheeses, some 23% becomes hard cheeses, and the rest is processed into liquid products like yogurts and *leben*. Fifty-seven percent of all dairy production is carried out on the country's kibbutzim and 40% on moshavim, with schools and individuals accounting for the rest.

Gur-Aryeh points out that dairy production is not only an economic

venture: "If we want to continue settling sparsely populated regions like the Golan Heights and the Arava, this industry represents a viable solution."

He admits that milk powder and butter can be purchased on the world market at "dumping" prices. Because of surplus production, literally mountains of butter have accumulated in all the EEC countries over the years. These countries have spent over \$5 billion on price supports to protect their farmers. "While we could, in the short run, buy at low prices on the European market," Gur-Aryeh concedes, "we can't base long-term planning on such a policy."

### **The Dairy Council**

The Dairy Council aids Israel's dairy industry in financing and research. Aside from the Council's public relations and advertising activities, its financial support

for the industry totalled \$360,000 last year.

One of the Dairy Council's primary functions is to assure a regular milk supply to the public, and it must therefore set standards for quality and hygiene, supervise dairies, and transfer subsidies to farmers. The Council, in cooperation with the veterinary services of the Ministry of Agriculture, has also managed to wipe out the udder diseases among Israel's dairy cows which had driven down milk production by some 15%, dealing farmers severe economic blows. And the Council has adopted a carrot-and-stick policy towards farmers: premiums for high-quality milk and fines for low-quality milk. "All this," Gur-Aryeh explains, "is aimed at protecting a major branch of Israel's modern, sophisticated agricultural industry." ■

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ISRAEL

TECHNOLOGY DEVELOPMENT IN OCCUPIED TERRITORIES AND THE NEGEV

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[Text]

The development of the Negev region was deeply rooted in the ideology of Israel's first prime minister. Thirty years later, Menachem Begin, in that capacity, believed that the territories acquired by Israel in the June 1967 war should also be developed. In this report, Joel Bainerman looks at two companies created to develop the economic potential of these two regions.

Sheba Ltd., the Judea and Samaria Development Company, was jointly established in 1983 by Almana (Gush Emunim's settlement arm) and the development companies of the Samaria, Benjamin, and Etzion regional councils to initiate economic and commercial activity in Judea and Samaria. The company's main aim is to create employment centers that will attract more new settlers, business initiatives, and investment to the region than government incentives alone would bring.

Sheba's daughter companies include: Ramon Insurance Agencies, Tadir-Sheba Ltd. (a concrete-maker) and Sheba Investments. The latter is a joint venture of Sheba and Otzar VeHisachon, an owner of the Bank of North America. Other daughter firms include Or-Sheba and Sheba Engineering, real-estate development companies with several projects in Judea and Samaria. Sheba is currently negotiating with several US firms to raise \$10 million for its various activities.

"Sheba's greatest advantage," says General Manager Dr. Yosef Dreizin, "is its regional affiliation. Since all profits are reinvested in promoting regional development, we can attain priorities and concessions. We are part of the overall system, organically linked

to all area developments. We are the first to be aware of any new business developments or to find a suitable engineer for a project. Our ready-mixed-concrete factory was established near those areas in which we knew settlements would be erected. Most importantly, however, Sheba knows how to approach and deal with the regional councils to obtain their approval. And since we are officially tied to each regional development council, we can perform large-scale projects like civil engineering or apartment construction inexpensively."

Science cities

Sheba and the North America Bank Group have jointly established a company to invest in industrial projects in Judea and Samaria. The company will also invest in high-tech research and development, enter into partnerships with existing companies to bring more industrial plants to these areas, and develop the science-based industries in Ariel's Science City.

"Sheba's objective is to branch out into any commercial and economic activity that serves the region's interests," says Dreizin. "The company will seek reliable partners with experience and know-how in a proposed field. This joint venture, either on a partnership or contractual basis, will permit immediate, effective operation. Sheba will contribute through business initiatives in marketing, with the second party backing implementation of the proposal."

Some current projects:

- Sheba recently received an option to create a joint venture based on technology developed by scientists for the Soreq Nuclear Research Center in Yavne to implant ions within metals. The company is currently seeking a US partner to create an international marketing network.

- Elta Electronics Industries Ltd., an Israel Aircraft Industries subsidiary, is well known for its high-tech developments in radar processes. Elta and Sheba have also entered into a joint venture to create an antenna range laboratory in the Gush Etzion area. The project will cost an estimated \$500,000.

- Sheba's preliminary market research indicates that many computer houses in Judea and Samaria are enthusiastic about cooperating in developing educational systems. The plan is to create and promote systems designed for the North American and European Jewish-education systems. While market demands determine specifications, individual teams will develop programs on various topics. A joint venture is sought to finance the proposal and market the products.

Will the departure of the Likud Government — which facilitated much of the recent settlement drive — and the arrival of the Labor-led National Unity Government change any of Sheba's goals? "Not really," believes Dreizin. "In fact, when Likud was in power, the settlers became complacent and distanced themselves from what was happening economically in the region. Now they seem more energetic than ever, becoming more concerned about Sheba's activities and believing more strongly in our goals. If the settlements are strong enough economically, we will survive. When Likud took charge in 1977, nothing happened to Koor, the Histadrut, or Solel Boneh."

Beyond politics, Dreizin believes that future economic development in Judea and Samaria rests on one criterion: Will the potential investor view the projects as making good business sense? Judea and Samaria have one very important advantage over other areas of Israel: location. Ariel is 30 minutes' driving time from the scientific centers of Tel Aviv, Rehovot, and Jerusalem. Thus it has a large pool of highly skilled manpower to draw from.

Above all, Dreizin points out that both Sheba and the settlements are in their infant stages. "Give us until the end of the decade," he insists, "and one will see flourishing high-tech centers throughout the heartland of Israel — and all economically self-sufficient. This is Sheba's ultimate goal."

Rotem Industries Ltd. was established to commercialize the scientific research carried out at the Nuclear Research Center — Negev (NRCN) in the Negev desert. Rotem intends to establish high-technology industries in the Negev region. A science-based industrial park is currently under construction a few kilometers southeast

of Dimona, under the auspices of the Ministry of Industry and Trade. Its proximity to the NRCN will give engineers from the industrial park direct access to the Center's scientific staff and research facilities.

Rotem's principal activities are: producing and marketing the science-based products and services developed by the Center's engineers and scientists; developing NRCN's technologies commercially through cooperation with Israeli and foreign companies in joint-venture agreements; identifying research projects with marketing potential and mobilizing financial resources for their development; licensing and transferring technologies and products developed at the Center.

The Center is active in a number of fields, each of which is represented by a different department:

### Medical Lasers

The ophthalmic laser continues to be the most important application of the laser in medicine. The specific laser properties conducive to photocoagulation are the particular wavelengths which facilitate selective absorption, and the highly collimated (focused) output, which makes it possible to focus the beam on a very small spot on the retina. By providing the high-power densities necessary for evaporation and cutting, the laser enables the physician to perform certain precise surgical operations. Using a defocused beam, the physician can heat relatively large areas of the retina and vessels within the eye to cause photocoagulation.

Based on research done over the past nine years in the Laser Department, an extremely efficient copper vapor laser (CVL) has been built for specific applications in eye surgery. The Center's scientists have developed a basic eight-watt (nominal) CVL model with several advantages over the argon laser as an ophthalmic tool. With a special attachment, one CVL will produce green, yellow, and red light. Its versatility and relatively low cost should prove attractive to ophthalmologists.

The Department has also developed a holium laser (pulsed or continuous wave, 2.06 microns) with a power output of up to 70 watts. As the holium laser operates in the near-infrared, its energy is well absorbed by blood and tissue. This permits simultaneous cutting of tissue and coagulation of blood vessels. In addition, the light of the holium laser is easily transmitted through standard fiberoptics.

The new laser system should have widespread applications in gastronomic, intestinal, uterine, knee, and ulcer surgery.

### Crystal Growth

The Crystal Growth Department has created unique growing ovens and other

specialized equipment for studying growth techniques, optical lasers, semiconductor materials, and the fabrication of single-crystalline components. The Center's scientists have also developed a novel method for manufacturing single-crystal sapphire domes and other sapphire products. Due to their extremely hard texture and transparency in the visible-to-far IR spectrum range, sapphire domes are best suited for frontal windows in air-to-air missiles. Kerem, a joint subsidiary of Rotem and Koor Chemicals, was established to manufacture and market the sapphire domes and other single-crystal laser materials and laser rods.

### Moiré Deflectometry

The Moiré Effect is an optical phenomenon which permits simple analysis of most optical characteristics currently measured by more complex techniques. A series of instruments based on the Moiré Effect have been developed for use in crystal-growing facilities, clinical diagnostics, quality control on production lines, wind tunnels and laser-quality analysis.

### Controlled Environment

The Department's engineering division designs and constructs airtight installations for use in research laboratories and industry, and glove boxes and fume hoods for safe handling of toxic materials. The engineering staff also forms and welds thermoplastic material and manufactures electronic and pneumatic control systems. The Department recently introduced an innovative incubator for premature infants. The new design is a cross between the standard incubator and an intensive-care type.

### Electronic Instrumentation and Control

The Electronic-Services Department specializes in designing, developing, and manufacturing electronic instrumentation and computerized control systems. These include a full range of monitoring devices, from small, personal radiation dosimeters to multipurpose monitoring systems. In addition, the Department designs measuring equipment for power systems, and power supplies for special currents and voltages; large-scale control systems, including distributed, computerized systems; and measuring devices and sensors required in meteorology, biology, and medicine.

### Radiochemistry

The Radiochemistry Department manufactures labelled compounds, radiopharmaceuticals, and radiation sources for use in life-sciences research. These

include tritium, iodine-125 and phosphorus-32 labelled compounds, iodine-131 and phosphorus-32 labelled radiopharmaceuticals, radiation sources for medical, industrial, and research applications, and custom synthesis of tritium-labelled compounds.

### Plasma Technology

Researchers in the Plasma, Chemistry, and Deposition Department have applied "cold plasma" technology to surface treatments and the deposition of thin films. The process is performed in low-temperature environments, permitting the handling of all types of materials, including thermosensitive materials like high-speed steels, plastics, etc.

"Cold plasma" technology has also been applied to synthesis and deposition of refractory carbides and nitrides on steels to increase their resistance to mechanical wear and chemical corrosion; forming pyrolytic carbon-graphite to serve as a matrix for composite materials; and surface treatments, such as treatments with nitridins, and carburizing and boronizing metal and steels.

### Gas Separation with Carbon Membranes

Gas separation via membranes is becoming the preferred method. The hollow-fiber carbon, molecular sieve membrane developed at the Center has a much greater permeability-selectivity combination and a higher temperature stability than conventional polymer membranes.

### Solution Purification with Porous Carbon Electrodes

Growing concern for environmental preservation has increased the demand for purer industrial products in efficient industrial-waste treatments — down to the ppb (parts per billion) levels in heavy metals — and for purer water. Electrochemical purification with porous carbon electrodes has numerous advantages over other waste treatment processes if the pore system and the electrochemical reactor are properly designed. Specializing in pore-dimension tailoring in carbon electrodes, NRCN researchers have maximized the rate and capability of impurity removal. The results are a low pressure drop, negligible energy demand, and very pure products.

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According to General Manager Gideon Shavit, Rotem is uniquely able to attract venture capital from investors interested in exploiting and commercializing interesting research potential. "Our biggest concern at this point," says Shavit, "is finding the right partners, not only for the additional investment required for project implementation but also for the

capability and the knowledge of the best means to penetrate the market." As an example Shavit points to Kerem, a joint subsidiary of Rotem and Koor Chemicals. Rotem brought to the partnership NRCN's know-how in crystal growth technology, while Koor Chemicals contributed (besides a substantial investment) management and marketing people.

"I can't think of another company commercializing technological research that has a closer or more beneficial relationship with such a major source of sophisticated research than Rotem," Shavit declares. "NRCN will make its laboratories, technicians and scientists, and information center available to the industries in the science-based industrial park. The unusually close cooperation between Rotem and NRCN is unprecedented in Israel's present high-technology infrastructure." ■

### Financing Settlements

Soon after the Israeli evacuation of the Sinai, Yigal Cohen-Orgad, the former Finance Minister and Knesset member, founded Eitam, an investment company to initiate high-technology ventures over the Green Line. By September 1983, \$2.5 million had been raised in Israel and the company made its first investment: in Microshev Ltd. of Alon Shvut in the Etzion bloc, towards developing a new generation of evoked-response medical instrumentation.

"It is no secret that the people involved in setting up Eitam are to the right politically," says Eli Shiloni, Eitam's director. "When it comes to investment, however, politics is politics and business is business. In the settlements we found motivated, highly educated people. It made good business sense to set up shop there."

Eitam also invested in Vesco, a high-tech company operating out of the northern settlement of Ariel and producing microretrieval systems in partnership with a Detroit firm which markets the system in the US. Shiloni explains that it benefits Israeli firms to have this sort of connection with their counterparts in America in order to market Israeli goods in the highly competitive and lucrative North American market.

Dukerem, in Samaria, was created 18 months ago by five engineers from Tadiran and Motorola to research and develop microwave components. Today, as a result of Eitam's investment, the company manufactures a line of products for the Israel Defense Forces that had previously been imported from Westinghouse. "The Israeli army is an excellent testing ground for a new product as its standards are high," says Shiloni. "Once you pass this test, it is easy to enter the export market."

Orli (night light), in Katzrin in the Golan Heights, is the fourth Eitam company. A joint venture with Israel Aircraft Industries and a private engineering company, Orli was founded to produce electro-optic devices in the night-vision field. With Orli, explains Shiloni, "we avoided the common mistake made by Israeli companies: we secured the market *before* we went into production."

Eitam aims to provide Israel's engineers with the management experience they'll need to deal with the cash-flow aspects of operating a company. Yet without a doubt, Shiloni views high-technology ventures both within and beyond the Green Line as the only cure for Israel's economic ills. "We do not have the economic means to base our economy on heavy industry such as petro-chemical. Instead, high tech offers a rather quick return on an investment, and a turnover that can reach \$70,000 per worker as opposed to \$15,000 in other industries. Eitam and companies like it can channel our talented engineers and scientists into opportunities, offer them management guidance, and create more high-tech ventures. This is how high tech works — and works well — in Israel." ■

ISRAEL

BIOTECHNOLOGY IN ISRAEL SURVEYED

Tel Aviv HA'ARETZ in Hebrew 16 Jul 85 p 11

[Text] The Elsinat affair raises the question of diversification of sophisticated industry in Israel. The question to be asked is: Have all the eggs been put in one basket, namely, that of electronics and computers, with all the attendant risks? For many, sophisticated industry is synonymous with electronics, computers and chips. True, most capital investments and risks were directed to these areas in recent years. There are those who think that electronics and computers have reached a saturation point, if not the end of the road, and that new areas for investment should be explored. Some of those consider biotechnology as the industry of the future. Investors in this field fall far short of funds devoted to research and development in electronics and computers. At the same time, in recent years, we are witnessing increasing investments in biotechnological research, with the hope it will bring about a revolution in health care, improved livestock and agricultural crops.

The first techniques in the areas of genetic engineering were developed in 1973 by American researchers in academic institutions. The first industrial company intended to implement the technique was founded 3 years later. The first biotechnological products were introduced in 1981. This area is undergoing tremendous growth in Israel, too. About 500 researchers are now working on biotechnological research and development. They are working on implementing more than 100 projects, some in academic institutions and in government research institutions. The remainder work for 19 commercial companies. Two of these are in kibbutzim (Rosh Haniqra and Bet Ha'emek). Others are linked, one way or another, with various research institutions. Three of the leading biotechnological companies in Israel--Bio-Yeda, Inter-Yeda and General Biotechnology--are based at Qiryat Weizmann and are closely associated and cooperating with researchers at the Weizmann Institute, Weizmann being the father of modern biotechnology.

Bio-Yeda was founded when biotechnology was not in the headlines in Israel. This was in 1967, when it was named Miles-Yeda. It was then owned by two other companies: the American Miles Chemical Co and Yeda, which was in charge of exploiting discoveries and inventions of Weizmann Institute scientists. During its first phase the biotechnological side was not prominent. Instead, it concentrated on developing materials for chemical

and biochemical research. In time it was realized that this market is too restricted to become profitable. This fact, along with changes in world market and emphasis on live sciences in general and at the Weizmann Institute in particular, cause a definite shift toward biological products. Those now occupy more of Bio-Yeda's catalog, which includes more than 400 items. All are considered research products, intended for scientists, but most are suitable for other uses, such as diagnosis and raw material for drugs and agriculture.

Dr Moshe Rashi, CEO of the company, is quoted from an interview published in the Weizmann Institute magazine: "We utilize five technologies: immune chemistry, immune diagnosis, biochemistry cell biology and clinical organic chemistry." The interviewer, Dr Avi Asaf, explains that several processes are behind these techniques, such as the production of various types of immune substances of varying degrees of purity (e.g., monoclonal cells for some proteins and human hormones, marked antibodies or insoluble antibodies), the isolation of vegetarian proteins and the preparation of polymers for chromatography, the production of enzymes and substances which attach themselves to the exterior cell walls as well as the preparation of various substances for clinical laboratories.

All this activity has actually been profitable since 1979. In May 1983 Miles left the partnership and the company is now a totally owned subsidiary of Yeda. Bio-Yeda employs 80 workers, of whom 60 are academicians. Last year its sales reached \$3 million, of which \$2 million came from exports. The company has recently established its own marketing branch which is spread all over the world. Its scientists are working on new directions, such as the production of diagnostic systems for use in histological and pathological laboratories, systems for diagnosis of poultry diseases and others. Profits are channeled to researchers at the Weizmann Institute in the form of research grants for further pure research. These grants, so it is hoped, will not only result in papers in the scientific press, but also in processes and technologies which could be implemented in the company's product lines at the plant now under construction, just a few yards away from the Weizmann Institute.

Yeda is also part owner of yet another of the three biotechnological companies in Qiryat Weizmann, Inter-Yeda. Yeda owns 40 percent of Inter-Yeda; Interferon owns the remaining 60 percent. Inter-Yeda is physically located in Interferon's plant. Its capital was raised in the United States and in other ways and amounts to \$10 million. Interferon itself does biomedical research, especially in the area of human growth hormone. Dr Avi Asaf explains that human growth hormone does just that, it controls proper growth. It is naturally produced in the pituitary gland. Its absence causes dwarfism and it has to be administered to those children whose pituitary gland does not function properly. Interferon produces this expensive hormone from glands it receives from its mother company. At Interferon the substance is separated from other hormones and further purified. Most of the efforts and resources of Interferon are channeled to Inter-Yeda, both in projects carried in the company's own laboratories and in those of the Weizmann Institute.

The list is topped by the various interferons, that family of proteins produced by the body as a reaction to viral attacks. Inter-Yeda started its activities in this area trying to purify interferon in cultures of connective tissue cells, utilizing a technique developed by Prof Michelle Ravel of the Virology Department at the Weizmann Institute. This work has branched out in recent years and culminated in the introduction of a finished product--Feron ointment. The ointment is utilized, among others, in the treatment of herpes. The company's sales are up from \$1.7 million in 1981 to \$2.2 million in 1983. There is a corresponding increase in funds for research and development, which reached \$2.8 million in 1983.

Another major biotechnological company in Isreal, also at Qiryat Weizmann, is General Biotechnology, owned by Elron and an American investor group headed by attorney Fred Adler. The company, headed by Prof Chaim Aviv of the Virology Department at the Weizmann Institute, was founded in 1980. It now employs 80 people, most of whom are academicians who started out at the Weizmann Institute. The company is active in areas related to medicine, veterinary medicine and agriculture.

Will Chaim Aviv's and his colleagues' efforts in the other two biotechnological companies bring in \$1 billion, as expected? Time will tell. In any event, this research and development effort is most exciting, stimulates the imagination and has its economic benefits, too.

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CSO: 4423/79

ISRAEL

# IMPROVEMENT IN TRADE BALANCE NOTED

Tel Aviv HA'ARETZ in Hebrew 11 Jul 85 p 5

[Text] An improvement of \$333 million has been reported in the first half of the year. This is a decline of about 25 percent to \$1.02 billion. Some \$640 million of this deficit was for the second quarter. This marks a decline of 16 percent compared with the same period last year.

A spokesman for the Central Agency for Statistics reported that according to seasonally adjusted figures, which do not include ships, planes and diamonds, there was a 6 percent decline in the deficit in the January-June period, compared with the second half of 1984. The decline is attributed to a 3.5 percent reduction in imports and a 2 percent increase in exports.

Net imports amounted to \$3.923 billion in the January-June period. Imports of consumable goods declined by 9.5 percent compared with the second half of 1984. This includes 24 percent of durable goods. Imports of raw materials for exports, excluding diamonds and fuel, showed stability. Capital imports declined by 7 percent. Compared with the same period last year, fuel imports were reduced by 10 percent to \$708 million. There was an increase of 15 percent in diamond imports.

January-June exports amounted to \$2.903 billion. Seasonally adjusted, this is a 2 percent increase for the period.

The trade balance in June was \$193 million. In the May-June period this deficit declined by 10 percent, compared with the March-April period.

8646

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ISRAEL

## UNEMPLOYMENT AND TAX INCOME FIGURES

Jerusalem THE ISRAEL ECONOMIST in English Sep 85 p 22

[Article by Lisa Rotter]

[Text] Unemployment is unmistakably on the rise and government is active on the tax front. Lisa Rotter reports.

Israel's two large ad networks registered a 23% decline (to 11,964) in demand for personnel in all job categories in July. Hardest-hit were production workers (a 37% decline), maintenance workers and movers (33%), and service workers. Least affected were metal workers (5%), office workers (15%), and building workers (16%).

Labor Minister Moshe Katzav reckons that unemployment may rise as much as 50% by the end of the year. He recently noted that in July, 44,638 people applied for jobs at the State Employment Service (SES), up 13% from June. Of these, the number of those unemployed for six days or more also increased 17% to 19,256. *Ha'aretz* claims that this figure ignores an additional 15,000 people out of work. Not included in the SES count, for example, are unemployed, working-age widows and the handicapped, who receive National Insurance benefits and are automatically classified as only "seeking work" rather than the more severe "unemployed". The largest percentage increase in the number of registered unemployed in July was the Haifa area's 34% leap to 4,220, followed by an 18% growth in Tel Aviv to 1,209.

Though the government is unlikely to achieve its stated goal of firing 3% of the public sector, SES is receiving reports of widespread dismissals in the private sector. Compared with the recent average of 500 dismissal notices per month, 1,157 notices reached SES in the first half of August alone. Yet apart from Beit Shean and Sderot, no regional office has reported unemployment over 10%.

Of those slated for dismissal, the government decided not to discharge

workers aged 40-50 with at least 10 years' experience (some 17% of those expected to get the axe), because these "firees" would rejoin the work force but continue receiving a government salary and an early pension.

The Central Bureau of Statistics reports that unemployment in April-June 1985 reached 6.4%, i.e. some 93,000 unemployed, compared with 5.8% in the year's first quarter. Furthermore, the percentage of men out of a job rose from 5.7% at the end of 1984 to a four-year high of 6% in the second quarter, versus a fall from 7.5% to 7.1% among women over this period.

Per usual, job-market rigidities meant that even as dismissal notices proliferated, jobs went unfilled. The Manufacturers' Association's 74-factory survey of northern Israel revealed 22 plants that required a total of 105 workers (73 professional). And 3,077 people refused jobs last month, thereby forfeiting their unemployment compensation. These job offers were transferred to labor exchanges in the territories.

Even those still employed were having difficulties making ends meet. Bank Leumi employees went public with their payslips recently: one sample veteran employee with seven years' experience netted \$251 in June, while an assistant branch manager with 23 hours of overtime received \$530.

Yet only 0.3% fewer Arabs from the territories (42,503 in all) worked in Israel proper in July. Some 27% worked in building, 39% in industry, 25% in services, and 9% in agriculture. Fifteen percent of them worked in Jerusalem, 5% in Haifa, 14% in the Sharon region, 15% in the Dan region, 24% in Tel Aviv, 11% in the southern region, and 7% in the Negev. Meanwhile the Histadrut is working to have thousands of non-

registered building workers from the territories fired from their jobs in Israel proper. It claims that these 30,000 Arabs are being employed at salaries far below those Israelis would accept, for work that Israelis could do.

### Productivity

In the first third of this year, while the number of workers in industry grew only 1.4% (some 4,000) over the same period in 1984, and the number of work days remained constant, industrial production (measured in constant prices) grew 3%. This 9% annual growth rate refers to industrial factories that employ wage-earners, and excludes the diamond industry. Production in light industries — textiles, clothing, leather products, paper and printing — grew 8%. Building, rubber, plastics and chemicals registered 7% growth, heavy industries grew 4%, and food, drinks and tobacco grew 3%.

Israel's \$6,500 annual output per worker surpasses that of Italy alone (\$6,200) in the Western world. Thus it is not surprising that wages here (\$4.80 per hour on average in 1983, including all benefits) are the lowest in the developed world — at some 40% of those in the US, and 77% of those in Japan — but three times those in Taiwan and Korea. Similarly, in 1975-83, Israel was the only country of those surveyed in which the output per worker grew at a slower annual rate (1.5%) than the cost per worker (8.8%). For Japan the annual growth rates were nearly opposite (7.8% and 1.2%, respectively). Other countries turned in the following results: Italy, 4.0% and 1.6%; Britain, 2.8% and 2.1%; Germany, 13.5% and 2.7%; France, 4.8% and 3.8%; the US, 2.4% and 0.7%; and Canada, 2.3% and 1.8%.

According to the recently approved government plan, only one third of the 180,000 new workers entering the economy will be absorbed into industry in the next 5 years. Some 13% will find work in business and financial services, and 8% will be employed in personal services. In the last decade, only 9% of all new workers found jobs in industry, agriculture, or building.

While salaries remain low, the plight of the poorest is being mitigated. Starting in August, the lowest strata of wage-earners were exempt from National Insurance payments. Furthermore, employers must now pay their employees by the ninth of the following month instead of the previously acceptable fifteenth. Yet the Treasury continues

to oppose both a 5% tax rebate for all those who pay income tax at source, and an inflation adjustment of wage allowances (like those for clothing and travel).

The Treasury estimates that gross salaries in October will be 30% lower than the average monthly gross wages in 1984. October's wages will be the lowest in many years, but in November their value should increase again. By the end of the fiscal year, wages are expected to be some 5-6% below last year's real level.

The Treasury adjusted tax brackets some 10% in September, in addition to the 14% adjustment for private-sector (12% for government) August salaries. The advanced tax-bracket adjustment mitigates wage erosion, with the lowest-bracket earners netting 18% more and the highest 8% more. For August, the dollar-equivalent brackets were: up to \$246 a month, 20%; from \$270-475, 30%; of the portion of income above \$476 but below \$666, 35%; above \$667 but below \$879, 45%; above \$880 but below \$1,203, 50%; and any income over and above \$1,205, 60%.

The plight of the self-employed seems worse. A self-employed person whose taxable monthly income is equivalent to \$1,350 pays 65% in income taxes and National Insurance, leaving him with only \$480 net, whereas a wage-earner with the same gross income nets some \$750 (55%).

According to a recent poll, some 77% of the public feel that the taxes imposed on citizens are too high, though only 28% favor lying to the income-tax authorities. Some 14.7% consider the current tax level appropriate, 3.2% believe it is too low, and 4.7% have no opinion. In any case, the Treasury is preparing a plan to lower wage-earners' and independents' income taxes by an average 17%. The plan, which is expected to go into effect in April 1986, abolishes certain legal provisions for support of investments and savings, the lightened tax burden on working mothers and new immigrants, and exemptions from VAT in specific industries such as fruits and vegetables.

Outgoing Income-Tax Commissioner Dov Neiger has remarked that taxes in general and income tax in particular are very difficult to collect in the territories. Consequently, incoming Commissioner Yair Rabinowitz has taken a hard line on "black capital": he has already started a four-month, 300-"commando" operation to uncover unreported activities and make the income-tax authorities' presence known. ■

ISRAEL

# PROBLEM OF TAX EVASION MUST BE ADDRESSED

Tel Aviv HA'ARETZ in Hebrew 16 Jul 85 p 9

[Text] Something strange, rather difficult to explain, happened to the economic plan. It lacks the necessary component, without which there is no hope to revive the economy, according to scores of ministers, clerks, committees, members of Knesset and economists. There is no dispute about it. There were numerous decisions made. Nothing happened. The basic policies of this government had this point under the guise of "an equitable division of the tax burden." Shimon Peres explained recently, apologetically, that the component is not easy to detect. Instead of doing all that is possible to capture it, he played with words, calling it a "black cat in the dark."

In order to be sure that nothing important was cut out of the reports on the government's discussion, the author interviewed two ministers and asked them what happened to the war on "black capital," one more empty slogan which has always been part of the government's vocabulary. For those who missed it, on 19 May a ministerial committee was established in order to deal with black capital. Apparently the issue was not important enough to urge action and make a contribution to the economic plan. The two ministers knew enough to confirm, without being able to elaborate why, that there really is no proposal as to how to deal with the problem. "It really is something that ought to be done," one of them said. "The collection mechanism is inadequate," moaned the other. It turns out that the finance minister promised, during the discussion, that he would soon present a "complete plan." Empty words.

In November 1984 the Tzarfati committee, established in cooperation with the government, the Histadrut and employers, presented its report to the government. It had detailed proposals. Its data show that black capital has risen from 7.8 percent of the GNP in 1975 to 17 percent in recent years. One of the committee members, the manager of the Institute for Applied Social Research of the Histadrut, Yoram Barzilai, claimed that the rate is at least 20 percent. True, he sometimes tends to exaggerate. In his opinion, the Finance Ministry loses about \$1.5 billion in revenues as a result.

That month the ministerial committee for implementing the law (there is indeed such a committee) announced it would discuss black capital in its next meeting. Nothing happened.

IRS commissioner Dov Neiger one of the most expensive managerial failures in government service, promised several months ago that during the current fiscal year "an emphasis will be put on the war against black capital." One has to be naive to believe that. The investigative department of the Finance Ministry, one of the major tools for this kind of war, has been paralyzed for 6 months because of some labor dispute. The finance minister--some say intentionally so--is staying out of the dispute and thus, effectively, lets it continue.

The scandal of inaction on the issue of black capital is serious, since there are uncomplicated ways of infiltrating this huge underground economy. They were proposed repeatedly, among others by Member of Knesset Uri'el Lin, formerly in charge of government revenues. The scandal is compounded in view of what may happen to Israel as a whole if the economic plan fails. The prime minister explained that Israel is even threatened with dictatorship. It was said that Israel is on its way to the last dollar, that food and fuel stockpiles were about to be exhausted, and so also the coffers of the state and the banks. And yet, according to all estimates, \$10-\$15 billion are floating around untaxed, in ever increasing amounts and under continued cover. The above two minister estimate that amount at between \$3 and \$4 billion a year. This is almost the total annual revenue amount. Taxation, even partial, of these accumulating funds, would eventually increase revenues by an amount approaching the special American aid for the next 2 years, or the amount by which the government needs to cut its budget.

The scandal is tantamount to a mystery. If the economy were to come to a screeching halt within 3 months, as the prime minister claimed, and if the IDF is already "eating flesh," would it not be logical to decide a few steps, relatively simple ones, to remedy the situation? Why, it is difficult to comprehend, has there not been a correlation made between census data (let us say of citizens 21 years old and older) with the list of actual taxpayers? Why, in order to establish a list of tax evaders, have these computer generated data not been utilized? There are lists of car owners, real estate owners, business licences (in local governments), taxpayers on the local government level and contractors (with a special emphasis on defense contractors).

The government has all these data. It is not even necessary to go to the Electric Company (And why not? It is, after all, owned by the government) or to the gas companies. All that is necessary is to utilize the computers, to take 200-300 bored clerks, have them supervised by some experts and task them with scrutinizing what the computers spit out. Anyone whose name is not on the taxpayers' list had better furnish an explanation within 30 days. Anyone not responding on time will be prosecuted immediately. It works with parking tickets, why can it not work with stolen capital which can save this economy from doom?

All this should be accompanied by a public relations campaign, and threats--yes, threats--on television. If it is possible to harangue people about a television assessment, it should also be done so with tax evasion. A suggested slogan: "It is not pleasant and the prospect is [underlined] horrible."

Since tax evasion is also committed, of course, by taxpayers who cheat the system, the bitterness of those who are at the short end of the stick--salaried employees and other honest taxpayers and naive citizens--should be enlisted in order to report any case where a proper receipt is not issued, or where income is not reported. The appropriate forms and envelopes can be found in any post office, bank or lottery stand. How many times have we all seen the salesperson who ignores the automated cash register? The bill is calculated on a piece of paper and funds go unreported. All that needs to be done is to write down the person's name and report it to the special division.

Telling on people? To be sure. Why not? We were all explicitly told that pretty soon the economy will take its last breath, there will not be any flour, no free education, the country will become a dictatorship. The author believes that this would be the end. The prime minister justified the economic plan. But nevertheless the government did not go to the limit--not against tax evasion. Just as it did in scaling down its activities (see the Garish plan) and the defense budget (consider the Lavi project and the willingness of the Air Force commander to reexamine it).

Anyone who takes this matter seriously will undoubtedly find many more ways, and they do exist, the author is certain, in the various reports on tax evasion, stuck somewhere in some drawer. Within a few months thousands of tax evaders, Mercedes and Jacuzzi owners at everyone else's expense, those who buy Godiva chocolate at IS80,000 a kilogram (unaccounted for), could be standing in line to pay up, or answer charges. It is a process which will take some time. Initial results should show within a few months and real benefits within a year. But, for heaven's sake, why has it not started yet?

One cynical explanation is Marxist: the ministers in question have always protected large capitalists. Some are even large capitalists themselves, or move in their social and political circles. Perhaps. This author does not claim to know. The other possibility is just as bad. This is a case of unforgivable negligence, which for years has prevented Israel from dealing with a problem which is very much instrumental in pushing it--according to its very own leaders--toward economic demise.

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ISRAEL

REPORT ON EMIGRES RENOUNCING CITIZENSHIP

Tel Aviv YEDI'OT AHARONOT in Hebrew 26 Jul 85 Weekend Supplement pp 10, 27

[Article by Shoshana Hen: "Emigres 'Punish' Israel"]

[Text] At the Israeli Consulate in New York, they are very worried. The number of Israelis who submitted requests to give up their Israeli citizenship during the months of April-June this year is more than seven times greater than last year in the same period. From conversations I conducted with emigres in New York, and with Israeli officials, it became clear that the straw that broke the camel's back and produced this wave was the new travel tax.

Actually, the numbers themselves are not particularly alarming. We are only talking about approximately 120 requests to renounce citizenship submitted within a 3-month period. The population of emigres in the United States stands at approximately 400,000. But, it should be remembered that during the same period last year, only 16 such requests were received, which was an acceptable level even compared with previous years. Incidentally, many of those who sought to renounce their Israeli citizenship withdrew their requests when they found out that the process required a 3-6 month waiting period on the average. They then turned to other methods--no less worrisome--in order to circumvent the travel tax.

If we remember, too, that the consular post in New York is only one of many Israeli consulates abroad, all of whom must deal with this wave of renunciations, there is ample reason for several red lights to flash.

The switchboard operator at the Israeli Consulate in New York is well trained. She need only hear the magic words "cancel citizenship" mentioned and she shoots from the hip with a description of the procedure. Immediately following the increased travel tax, she went through this routine several dozen times a day. Today, only several dozen calls of this kind come in every week.

As soon as the increased travel tax was publicized, the Israeli emigre newspaper in New York--OUR ISRAEL--was flooded with hundreds of letters and telephone calls. The message was always the same: "We will renounce our citizenship." "We are not prepared to pour hundreds and thousands of

dollars into the government's coffers every time we visit our families in Israel."

### Like Beating a Dead Horse

The route that leads to renouncing Israeli citizenship in New York begins at an office building on the corner of Second Avenue and 42nd Street. From the outside, there is no sign or hint that the Israeli Consulate is located in the building. Nor, for security reasons, is the Consulate listed on the directory in the lobby. It is the guard who directs you to the appropriate floor. The entrance to the Consulate looks like the portal of a fortress, due to the strict security measures taken. The Consulate occupies two floors. On the first floor, individuals seeking to renounce their citizenship are directed to a large waiting room. Here, one can sink into orange chairs, listen to Israeli songs playing in the background, peruse Israeli newspapers, and throw sidelong glances at the gallery of Israeli presidents and prime ministers whose portraits adorn one of the walls. "All these Israeli symbols are as much help as beating a dead horse for someone who has already decided to renounce his citizenship," they painfully admit at the consulate.

Rahel Heme'iri walked this road. Rahel, and all of the people interviewed for this article, who renounced or are considering renouncing their citizenship, asked to be interviewed under assumed names--"the family in Israel." She was born in Poland and was an infant when she immigrated to Israel with her parents. "My parents paid more than a lot of money to acquire certificates during the Mandate period," she recounts. Today, several decades later, the travel tax has spurred her to renounce her Israeli citizenship.

"It is not only because of a few hundred dollars," Rahel claims vehemently. According to Rahel, this tax is simply the straw that broke the camel's back, following the humiliations she was subjected to on her many visits to Israel over the years. Rahel, who has been in the United States for almost 30 years, is married to an American citizen. All of her children were born in the land of unlimited opportunity. According to Rahel's claims, when visiting with family in Israel, she was subjected to various humiliations, which were never reconciled. "When I arrived at passport control, both entering and leaving Israel, they would have me stand on the side for 'clarification.' I felt like a criminal, time after time. Sometimes, they would get angry over the fact that my children, who were born in the United States, were travelling on American passports. Israeli law, I found out, requires them to travel on Israeli passports, because of me. The travel tax was the last straw. I am not prepared to pay a fine every time I visit Israel, just because my parents decided to move me to Israel when I was a child. I went to the consulate. There, they were very rude. They asked me if I wasn't ashamed. I said I wasn't. I told them they should be ashamed because their laws gave me heartache all these years, and even now they want to humiliate me. I will not be ashamed." Today, Rahel is awaiting confirmation from the Ministry of the Interior of her declaration to renounce her Israeli citizenship.

According to Naftali Lavi, the Israeli general consul in New York (who has since completed his tenure), Rahel's story is typical of those who renounce their citizenship. Most are veteran emigres, who have been in New York for more than 10 years. Their reason for renouncing their citizenship is purely financial, according to Lavi. "The nationalist motivation is not important in their eyes. Those who come here renounce their shame."

#### Who Contributes to the State?

Sarah Kohen (an assumed name) also vehemently declares that she is not ashamed. She was born in Jerusalem. Her family, I gathered, has lived in Israel for several generations. She has been living in the United States more than 20 years. Sarah never considered renouncing her Israeli citizenship until the travel tax was imposed. "I travel to Israel twice a year, bringing in dollars. And I'm boiling mad. Why should I pay this tax? I bring in export business for Israel and maintain close relations with family members in the country. Why are they forcing me to pay a fine each time I arrive in Israel? And not just me, my children, too, who were all born in the United States. For a family with four children, you're talking about an expenditure of more than \$1,000."

Naftali Lavi claims that he does not understand this anger: "The emigres want to have their cake and eat it, too. Someone who comes to Israel for a visit is not doing anyone any favors. He comes because he enjoys the visit for whatever reason--social, family, economic or any other. He has good reason to come." Lavi does not understand the emigre "who lives in America, enjoys the comforts it has to offer, is not willing to accept the responsibility of Israeli citizenship, but wants the rights of an Israeli. Why does that person deserve the added right of being exempt from the travel tax?"

Sara Kohen's mother-in-law is very adamant on this subject. "Who has the right to decide who contributes to the State of Israel? Me, who has brought so much export business to Israel, or a few shady characters living there?" By the way, she has not implemented her plans to renounce her citizenship. "I called the consulate and found out that I would have to wait 3-6 months for the request to be verified. When I asked what would happen in the interim, for example, on a scheduled trip to Israel this summer, they told me I'd have to pay the tax."

Sarah Kohen, like so many Israeli emigres with whom I spoke, believe with all her heart that there are intentional delays in the processing of such requests. In her opinion, the delays are designed to allow the requestors to change their minds. Shlomo Hover, who is responsible for handling such requests in New York says: "The period for handling requests to renounce citizenship is no different than in the past. Usually, the requests are from entire families. All of these people's files must be located. They have been living abroad for years and in many cases have lost their Israeli passports or identity cards. We must check to see if they have completed their military service, and check the status of their foreign citizenship, without which they cannot renounce their Israeli citizenship. From

experience we know what the Ministry of the Interior responds to inquiries in approximately 4-5 months. With all due respect, this subject is not at the top of our list of priorities, and rightly so."

#### With an "Improved" Passport

Yehoshu'a Kahana, assistant general manager of the Ministry of the Interior, and director of the population census, also vehemently denies the claims of "intentional delays" voiced by those seeking to renounce their Israeli citizenship. He cites very similar explanations to those I heard in New York, and he adds, "It should be remembered that the wave of people renouncing citizenship has come as a result of the increased travel tax. Like typical Israelis, they come to the Israeli Consulate 5 minutes before their scheduled trip. Then it turns out that they, and their children, will have to pay taxes, so they demand an immediate cancellation of their citizenship. We are usually talking about an impulsive act. Then they want immediate results."

"It should further be remembered that the minister of the interior has to approve personally each request to renounce citizenship. The process involves the transfer of materials from one country to another, reliance on sources who are not controlled by the Ministry of the Interior, such as the military and foreign administrations. All this takes time."

From checks and conversations I conducted in New York, it turned out that the waiting period deterred many emigres from renouncing their citizenship, and pointed them toward different horizons. There are also those who simply gave up their planned visits to Israel. At travel agencies in Jewish sections of New York, I heard about a drop in the number of trips booked to Israel this summer among Israeli emigres who used to visit Israel regularly, alone or with their families. This year, they are bringing their relatives from Israel to visit them in the United States, especially when the reference is to parents. However, the "Jewish mind" also invents other patents--such as, for example, changing the country of birth in their American passports. Those who hold American passports, where Israel appears as the country of birth, are automatically identified by the border control guards in Israel as Israeli citizens who must pay the travel tax. In the Israeli enclaves in the United States, the names of "entrepreneurs" who can help change the country of birth on an American passport pass by word of mouth. For a few hundred dollars, they will help stage the loss of an American passport. They will go with you to the authorities who handle such cases and they will declare in writing that they knew you since you were a baby and that you were born in Czechoslovakia, or Yemen, for example. When you get to Israel with this "improved" passport, with no reference to Israel, it will help you, they promise, avoid payment of the travel tax.

There is, of course, no statistical data on how many people have actually used this "system" to avoid the travel tax and to avoid actively renouncing their Israeli citizenship. Those in the know set the figure in the hundreds, in New York alone.

Another method is changing the address on an Israeli passport. At the Israeli Consulate in New York, they recognized a sharp increase this past year in the number of Israelis asking to change their address in their Israeli passports, from an address in Israel to an address in the United States. The number of such requests this year already stands in the hundreds, as compared with only a few dozen in previous years. The motive is double.

#### Brainwashing the Daughter

First, changing the address allows a person to open a foreign currency account in the United States, without breaking the law. At the Israeli Consulate in New York, they tell, for example, about a well-known Israeli personality employed as a consultant for a large American corporation in a technological field. The man lives in Israel and visits the United States four to six times a year, each time staying 2 or 3 weeks. He has an apartment in New York, he gets his salary in greenback dollars in the United States, and until now, he has maintained an account in an American bank to finance his expenditures while here. According to new currency regulations in Israel, he is not allowed to do this. This man turned to the Israeli Consulate and asked to have the address in his passport changed to that of his New York apartment. However, when he found out that he would also have to give up his identity card, he was shaken and changed his mind. It turns out that this reaction is unusual. The majority do not change their minds.

The second motivation for changing an address on a passport is related to avoiding the travel tax, at least on children. Apparently, when an emigre registers a foreign address on his Israeli passport, his children under the age of 18 are released from the obligation of paying the travel tax.

"It hurts me that they are forcing me to do this to my children," one emigre told me. He claims that from an early age, he instilled a love for Israel in his daughter, and even convinced her to do a year of studies in Israel. She will arrive in Jerusalem within the next few weeks. "It hurts me that before she leaves, I must brainwash her: 'Don't tell anyone that you speak Hebrew at home. Don't tell anyone that your father was born in Israel. If they catch you, you'll have to pay the travel tax.'"

"It is very painful," says Naftali Lavi, "when I see people who were born and raised in Israel, and even raised a second generation there, who come to the United States primarily to improve their economic situation, and because of money, they lose their identity."

[Box on p 10]

How Many?

How many Israeli emigres renounce their Israeli citizenship?

The computer at the Ministry of the Interior has yet to include the data from the most recent wave of requests to renounce citizenship, the wave that

occurred as a result of the increased travel tax. The reference is to requests that are still being processed and will only become statistics in a few months time. However, even the data currently available on renunciations that have already been approved this year, point to a worrisome increase in numbers:

<u>Year</u>	<u>Quantity</u>
1980	1,316
1981	1,466
1982	1,517
1983	1,526
1984	1,670

In the first 5 months of 1985, 1,219 Israelis renounced their citizenship--almost as many as in the entire year of 1980. The lion's share of the requests came from the United States. The next highest number came from England. In the rest of the countries, the numbers are insignificant.

[Box on p 10]

How?

How do they renounce their Israeli citizenship?

An Israeli citizen who also holds foreign citizenship and who has not been an Israeli resident for at least 7 years, can renounce his citizenship.

To do so, two conditions must be met: First, the individual must produce documentation to prove that his military duty has been fulfilled. An IDF deserter, for example, cannot renounce his citizenship. The second condition is that all members of a given family agree to renounce their citizenship, the husband's request will not be granted.

The requestor must go to the Israeli consulate with an identity card, Israeli passport, two photographs--and \$10 a head. There, he will fill out a declaration stating in writing that he wishes to renounce his citizenship. The declaration will cover his children under the age of 16. Children aged 16-18 will be required to join the declaration in writing, stating that they agree to the request of their parents. Children over 18 years of age have to submit separate requests.

The declaration to renounce citizenship is transferred to Israel, to the Ministry of the Interior, and will become binding by law if and only if it is signed personally by the minister of the interior.

9811

CSO: 4423/76

ISRAEL

## REVIEWS OF NEW BOOK ON PEACE NOW

### Attack On Book

Tel Aviv DAVAR in Hebrew 23 Jun 85 p 12

[Article by Miri Paz in "New Publications" column]

[Text] As an active member and supporter of the Peace Now movement, Mordekhy Bar-On draws a portrait of a movement that is entirely good. This is not, God forbid, an attempt to deal more critically with the path taken by Peace Now, just a setting forth of glorified facts. "A movement which springs from the heart of the nation cannot be insensitive to the moods within it." Is that so? Bar-On apparently assumes that the heart of the nation lies in Rehaviya. This is one of the weak spots of Peace Now as a movement, and of Bar-On as its historian, which someone else with a more serious and critical approach will have to deal with.

With his comforting caresses the author continues to culture the image of Peace Now as the movement of the rich and beautiful children who are remote from the heart of the real Israel, spread on the balconies of their homes far from there. It is hard to take seriously Mr Bar-On's anachronistic mouthings on the political background of the members of Peace Now, which naturally brings them closer to the problems of poverty and aspirations to equality. Bar-On reviews the rise of the movement from the Officers' Letter, the struggle over the peace treaty with Egypt, the struggle against settlements, and the war in Lebanon. The serious problem, both of Peace Now and of Bar-On lies principally in their incorrect reading of the nation from "within whose heart" they presume to have sprung.

### Historical Review

Tel Aviv HA'ARETZ in Hebrew 12 Jul 85 p 17

[Article: "Politics: Peace Now--Portrait of a Movement by Mordekhy Bar-On"]

[Text] "The greatest fact to the credit of the 'Peace Now' movement is that it has clung fast to norms of good citizenship...and thus set an example of Dr Israel Sprinzak described Peace Now in 1979, about a year after its inception.

It was naive to believe that the movement would remain "elegant" in the whirlpool of Israeli political life, but the myth of the "elegant protest" of Peace Now took root in the public conscious so strongly that, more interesting than the real achievements of the movement, curiosity is aroused as to what the cause is that after all these years the myth of the movement's spontaneity and purity is still strong and exists even if in fact they have lost real cover.

The beginning of Peace Now indeed was the spontaneous call of the Tel Aviv Municipality to come out to Malkhe Yisra'el Square to celebrate the arrival of al-Sadat in Jerusalem. Since then this square has been transformed into a historic crossroads of protest demonstrations, and in fact has become a part of the Israeli cultural experience of the 1980's, although the Peace Now movement was born of protest: its commencement was the famous "Officers' Letter" sent to Menahem Begin, and its height was the mass protests calling for an inquiry into the events at Sabra and Shatila.

Bar-On chiefly examines the movement in a historical mirror, as is fitting for a basic pioneer-research on the topic. A large part of it is taken up by the official documents of the movement, an analysis of them, and of historical-official processes. There is no digging behind the curtains, and there is no consistent attempt to raise the curtain from in front of the united front appearance of the movement that has had some disagreements and power struggles and moments of being dizzy with power. The secret of Peace Now's charming the media is an additional question which does not receive wide response here, but this is already a question more suitable for psychologists to deal with.

9182

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ISRAEL

BRIEF

NEW MUNICIPAL COUNCILS UNION--A new institution uniting the Jewish municipal councils beyond the Green Line was established yesterday with the goal of advancing treatment of municipal matters and development matters of these councils. "Coalition of the Municipal Councils Beyond the Green Line" unites the councils of Ma'aleh Adumim, Ari'el, Ma'aleh Efrayim, Giv'at Ze'ev, Efrat, Emanu'el, and Elkana. Kiryat Arba' is not included in the new body, in order not to affect the Council of Settlements of Judaea, Samaria and Gaza, thus it was reported yesterday. Chairman of the Coalition of Municipal Councils, Amos Tratman (director of the Ma'aleh Adumim Council), said yesterday that the new body will deal with municipal matters, and will leave political matters to be dealt with by the Settlements of Judaea, Samaria and Gaza Council. "We will deal less with politics and more with development of the settlements," he said. It should be noted that all the councils, with the exception of Ma'aleh Adumim, which resigned from the Settlements of Judaea, Samaria and Gaza Council a year and a half ago, will continue to belong to the Settlements of Judaea, Samaria and Gaza Council. [Text] [Tel Aviv HA'ARETZ in Hebrew 17 Jul 85 p 3] 9182

CSO: 4423/81

JORDAN

BRIEFS

NEW NATIONAL SECURITY CHIEF--Informed Arab sources foresee a ministerial change soon in the government of Zayh al-Rifa'i, the prime minister of Jordan. These sources told AL-TADAMUN that the change would coincide with the actual start of talks between the U.S. administration and the joint Jordanian-Palestinian delegation. The sources added that one of the most likely candidates to join the reshuffled cabinet was Mr Muhammad Rasul al-Kilani, the former director of Jordanian intelligence, and currently ambassador to Saudi Arabia. The sources believe that he will assume the post of minister of national security affairs, and will be responsible for security requirements which arise when the talks with the U.S. delegation begin and for preventing any terrorist operations which may be carried out against Jordan in opposition to the talks. [Text] [London AL-TADAMUN in Arabic 17 Aug 85 p 6] 9123

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LEBANON

ASSEMBLY CHAIRMAN EXPRESSES FRUSTRATIONS OVER POLITICAL IMPASSE

London AL-HAWADITH in Arabic 26 Jul 85 pp 19-21

[Interview with Assembly Chairman Husayn al-Husayni by Sharbal Zughayb: "Let the Cabinet Meet or Be Dismissed!"]

[Text] Since the first spark of the incidents in the western section between the AMAL movement and the Palestinians flared up, the chairman of the Chamber of Deputies, Mr Husayn al-Husayni, has been playing the role of fire-fighter and making urgent efforts with all parties to keep these incidents from being exploited by certain people and turned into a religious war. Chairman al-Husayni has succeeded in these efforts of his, in cooperation with the other Islamic leaders, foremost His Eminence the Mufti of the Republic, Shaykh Hasan Khalid, "the Mufti of the Moslems," as Chairman al-Husayni calls him, and [former] Premiers 'Adil 'Usayran, Rashid Karami and Salim al-Huss. He has been deeply involved in setting out the security measures adopted for west Beirut at the recent Islamic meeting held in Damascus.

In his meeting with AL-HAWADITH, Chairman al-Husayni stressed that the security measures adopted for west Beirut have come into the light of day "and we are intending to strengthen them and enable the internal security forces to back up the army, while eliminating the last of the armed demonstrations and party offices, handing them over to their owners, and eliminating slogans and pamphlets which have the effect of damaging the security process."

He said, "It is the fate of any security plan which is not based on political foundations to fail. Therefore the approach has been not to set out a security plan for west Beirut only but also to have this plan be the beginning of a comprehensive security plan for greater Beirut and all Lebanon, and consequently be supported by the Islamic approach of crystallizing a Lebanese national plan for ending the Lebanese ordeal. This is the conclusion the Islamic meeting in Damascus reached, while waiting for this plan to take concrete form among all parties, so that all Lebanese intentions will come together on ending the war, finishing liberation of the territory and unifying Lebanon in a final form."

AL-HAWADITH: Will the security measures for the western [section] put a final limit on the Shiite-Palestinian struggle in Beirut?

Chairman al-Husayni: There is no Shiite-Palestinian struggle in Beirut or anywhere else. There is a single comprehensive Lebanese will which proceeds from the logical principle that holds that internal security among the Lebanese is to be rejected and first of all that this is to be a rejection of internal security among the Palestinians and others on the Lebanese stage. There is a complementary principle, which is rejection of an armed presence for the Lebanese, as far as arms other than those belonging to the legitimate Lebanese forces go. Of course, this rejection covers the armed Palestinian presence on Lebanese territory.

Let us be more frank on this subject. If there is an armed Palestinian presence, that means that there will be no solution to the Lebanese crisis, so how can we ask the Lebanese factions to hand over their arms and forswear them while we are consequently working to increase the Palestinian arms on Lebanese territory? All the more so since the causes which led the Palestinians to arm themselves in 1973 have been totally eliminated, since at that time there were people who said that the Lebanese nation could not protect the Palestinian camps, and the argument therefore arose that the Palestinians had to protect themselves by themselves? This is above and beyond the stipulation the Cairo agreement made allowing the Palestinian resistance to be launched from Lebanese territory.

All these things have been eliminated, because the Palestinian policies aimed at keeping only the Lebanese front open to Israel, without a comprehensive Arab strategy for confronting Israel, led to the emergence of the Lebanese crisis on the one hand and the thwarting of Palestinian action on the other. This is because from 1967 to 1982 statistics showed that the Palestinian resistance was inflicting losses on Israel which amounted to three persons killed a year, while as soon as Israel invaded the territory of Lebanon and the Lebanese resistance carried out its activity in confrontation with Israel, Israel suffered close to 3,800 persons killed and 12,000 wounded in the course of 3 years, half of whom are permanently disabled, which underlines that the Lebanese national resistance has been more feasible and effective, and the proof is that Israel was forced to withdraw from Lebanese territory.

There is an obvious fact, which is that Israel can be confronted only through a comprehensive Arab strategy. Lebanon is prepared to enter into such a strategy and will not abandon its duties toward the Arab cause, and not only the Palestinian cause, because the conspiracy does not just have Palestine alone as its target -- rather, Palestine is one of the links in the conspiracy, because of the occupation of territory and violation of sovereignty Israel has committed in Lebanon, Syria, Jordan, the West Bank and Egypt. Lebanon will not abandon its commitments and duties within a comprehensive Arab strategy, but it is out of the question for it to permit its crisis to continue.

AL-HAWADITH: It appears that you concur with the view of the Lebanese forces regarding the issue of the Palestinians in Lebanon.

Chairman al-Husayni: As far as this subject goes there is not a single Lebanese who can accept the violation of the two principles which I have

referred to, the rejection of internal security for any Lebanese faction and consequently any non-Lebanese faction, and rejection of the armed presence of Lebanese and non-Lebanese factions on Lebanese territory.

AL-HAWADITH: There has been an intention on the part of some deputies to submit a draft law to the general board of the Lebanese parliament calling for the abrogation of the Cairo agreement. Is this still a realistic intention?

Chairman al-Husayni: The Cairo agreement has two parts, a civilian part bearing on the Lebanese authorities' relationship to Palestinian civilians and a military part.

The civilian part still exists, and we do not want to infringe upon it. The military part was terminated by the international Resolution 425 issued by the international Security Council, by the unanimity of the Arab countries, stating that an international emergency force is to be deployed to help the Lebanese authorities exercise their actual powers on the territory of the south, and consequently there is no room for any discussion of the Cairo agreement in the south. There is the agreement made between the Lebanese government and the Palestine Liberation Organization after the Israeli invasion, calling for all armed Palestinians to withdraw from all of Lebanon, which eliminated the military part of the Cairo agreement on all Lebanese territory.

However, it is not legal and realistic to say that the Chamber of Deputies must eliminate the Cairo agreement, because there is no need to abrogate it, since it has become abrogated as far as its military part goes and consequently the Chamber of Deputies is not in the presence of an existing text which it had previously agreed to so that it could proceed to abrogate it -- rather, the agreement took place between the Lebanese government and the Palestine Liberation Organization, and was not presented to the Chamber of Deputies to discuss agreeing to it or rejecting it.

AL-HAWADITH: Will the Palestinian weapons that are to be removed from the camps really be removed, and how? Or will they be stored in storehouses inside the camps?

Chairman al-Husayni: As long as these camps are as they are, that is, for sheltering the Palestinian refugees, who are brothers of ours, they will be inviolable and we have the duty of protecting them and the people inhabiting them. However, for these camps to be turned into military bases is something which contradicts Lebanese sovereignty and the most basic rules and laws of logic. The Palestinians do not need the presence of arms in the camps, since absolutely no one has the inhabitants of the camps as his target. The Lebanese national resistance has proved its total concern for the Palestinian brothers and the confrontation with Israel and Israel's occupation.

AL-HAWADITH: There has been much talk recently about the reconstruction of the Palestinian camps. Has any of that entered into the Damascus agreement?

Chairman al-Husayni: This subject has not entered into the meetings we have held. Rather, what has appeared is in the agreement made between the Lebanese party organizations and the Front for the Salvation of Lebanon. However, any initiative to rebuild the camps is laudable, whatever entity it might come from.

AL-HAWADITH: You reject the principle of internal security for the Lebanese and Palestinian parties, but what actual force will take charge of applying this principle, especially in light of the state the Lebanese army has come to?

Chairman al-Husayni: What cannot be doubted is that our constant goal, for which there is no alternative or modification, is to end the Lebanese crisis on bases of national reconciliation, rebuild the institutions and have the legitimate Lebanese authorities take over all the country's resources. The Lebanese army has gone through difficult, harsh circumstances, and we must rebuild it on clear national foundations with what is available to us today. It can be rebuilt on the basis of the permanent struggle with Israel because it has Lebanon as its target, and its identity, which is founded on the rule of common Christian-Islamic existence, ahead of the Palestine cause, and as far as Lebanon goes, this represents a major resource; Israel has the ambition of striking out at this resource and taking over Lebanon's natural, water, economic and cultural resources.

AL-HAWADITH: If the security measures fail, God forbid, will their failure mean a direct Syrian intervention to put them in force, especially now that more than one party has declared its renunciation of commitment to them?

Chairman al-Husayni: Absolutely no party is renouncing the security plan. There is interaction among the security plans and political steps which must be taken. In any event, there are many obstacles and there are people who would be harmed by a resolution to the Lebanese crisis, but we have only this road before us, and nothing will deter us from it. Security is the offspring of intent, and it appears that all intentions concur that security must be achieved in west Beirut as a first step toward greater Beirut and therefore toward security in all Lebanon.

AL-HAWADITH: I do not want to get into naming names; your excellency knows, and everyone knows, that a number of statements have been issued by groups concerned directly with the security of the western [section], which state openly or through hints and allusions that they are not involved with the security plan.

Chairman al-Husayni: I have said that there are people who have been harmed. As for the people who attended the Islamic meeting or the other party meetings held in Damascus, they have agreed to these measures and have offered all their resources for the sake of making them succeed.

As for the people who have been harmed, let them permit us not to stand on ceremony on this subject, because it is crucial as far as we are concerned, and consequently the claim that groups have been harmed by the separation of the subject of Lebanon from that of the Middle East and are working to

frustrate these measures is something which calls for amazement and scorn over the level to which these parties have descended in considering that Lebanon is territory which is not Arab and letting themselves "hijack" Lebanese territory and prolong the Lebanese people's ordeal, which has gone on a long time. The resolution of the crisis of Lebanon will constitute a first step toward resolution of the crisis of the Middle East and not the opposite of assiduously feigning ignorance on the failure to separate the issue of Lebanon from that of the Middle East.

In any event, we consider that there is a general Lebanese intent and an assured Syrian intent which demands that the file of the Lebanese crisis be closed and that the continuation of the crisis be considered a drain of Arab powers in Lebanon in the confrontation with Israel. Every statement on the failure to separate the crisis of Lebanon from the crisis of the Middle East fits into the Israeli goal which advocates fragmenting Lebanon into factional racist entities similar to the Israeli entity on the one hand and diverting the Palestinians, by struggling to return to Lebanon and to Beirut specifically, instead of struggling to return to Palestine and Jerusalem.

AL-HAWADITH: What results do you anticipate the role of the Syrian observers in Beirut will have?

Chairman al-Husayni: We and the Syrian brothers are joined in mutuality and solidarity in confronting this conspiracy which is aimed not just at Lebanon but also at Syria and the whole Arab nation. Confrontation and even sacrifices are required on the part of all of us. Syria's role in Lebanon is not a transitory one. Everyone knows that Syria has a Lebanese role which it plays in times of tension and relaxation and that Lebanon has a Syrian role which it plays in both cases. When we ask our Syrian brothers to help us, we are not begging for this aid, but are demanding our rights from them, just as they have the right to ask us to help them in all circumstances.

AL-HAWADITH: The Islamic meeting held in Damascus rose above the disputes among its members and set forth a plan for a political resolution for Lebanon while not seeking the counsel of the other, Christian party regarding this plan. Did this come about so that internal disputes could be covered up or the other party could be drawn into its own spot on the board and accused of obstructing the Syrian initiative, in the event this plan was rejected?

Chairman al-Husayni: Its mere designation as a plan makes it clear that it aims at reconciliation with the other party. We will not allow ourselves to impose a separate will on all parties. We are not "rebellious," and if we were it would be the rebellion which imposed its terms on everyone. In Lebanon there is no victor; rather, we have all been subjected to the Israeli invasion and we are all concerned with Lebanon and its destiny, and therefore determining Lebanon's destiny will be the context for reconciling all intentions. The effort on our part to eliminate contradictions among ourselves is aimed at eliminating the contradictions among all groups, and not the opposite. It is clear that what took place in Damascus is for everyone's sake, if there is "actual" progress in terms of the parties' acceptance of the security of the legitimate forces, whether that is in the form of the internal security [agency] or the army, in spite of the many objections to

the security instruments which have been assigned specific tasks, which mean advanced steps along the road to the solution. In addition, it is clear that the principles which have been set out are for the purpose of giving concrete form to a Lebanese national plan for ending the Lebanese war and not plans for war, as is the case with the plans for internal security, decentralization of security, developmental decentralization, federalism and the formation of a confederation.

AL-HAWADITH: Can what emerged from the Islamic meeting in Damascus really be considered a culmination of the resolutions of the Lebanese-Syrian summit, as has been said?

Chairman al-Husayni: What cannot be doubted is that they are totally compatible with the intent to close the file of the Lebanese crisis.

AL-HAWADITH: Following the aggravation of the psychological burden between the Phalange and the "forces" in the eastern section, you talked about a security plan for greater Beirut under Syrian supervision, or a plan similar at the outset to the plan for west Beirut in the eastern section, also under Syrian supervision. Today, following the consolidation of the military forces in the eastern section, is there any justification for proposing such a plan?

Chairman al-Husayni: Our plans entail no preservation of any armed militia or armed party in Lebanon, because this country has paid a high price, and the people who control the militias have come to realize this more than others. It is the national duty of every Lebanese to take the initiative of giving assistance to this end, that is, to the end of restoring the state's authority to all Lebanese territory and realizing national sovereignty in a manner which will give Lebanon back its natural life, security and stability.

AL-HAWADITH: How did the step the influential military figures in the eastern section ventured on come about?

Chairman al-Husayni: I do not have any substantial information on this subject, but in principle I do not deal with such steps at all. I am a chairman of the legislative power and it is my national duty to reject any security on any scrap of Lebanon's territory which does not belong to the legitimate authorities.

AL-HAWADITH: Will the problem of the contact lines be solved by negotiated consent, as in the past, or will a radical solution be proposed for it, and how?

Chairman al-Husayni: The success of the initial security steps had the effect of depriving the contact lines of the justification for their existence.

AL-HAWADITH: It did not by chance happen, during the Lebanese war, that the legislative and executive powers were suspended at the same time, as is the case now. In your capacity as chairman of the Chamber of Deputies, what step

will you turn to to bring the cabinet before the chamber to be held to account, and consequently, is there any intention of carrying out this step?

Chairman al-Husayni: Why are we pretending to ignore the facts? The activities of the legislative and executive powers were suspended at the same time for long periods during the past 10 years, following the collapse of government authority over Lebanese territory.

In any event, there is a principle, which is that no Lebanese faction will be rescued from the ordeal in isolation. Either everyone is rescued and the nation is rescued, or there will be no salvation. Another principle arises from this one, which is that there will be no salvation except through the legitimate constitutional authorities.

AL-HAWADITH: Everyone knows that parliament's activity is currently in abeyance, due to the security circumstances surrounding the parliament building. How, however, do you interpret the suspension of the cabinet's activity and its lack of harmony and failure to meet?

Chairman al-Husayni: It would be the simplest thing for me to resort to reaching a settlement with the militias so that a Chamber of Deputies session could be held and the general budget approved, but I have rejected such an approach and refused to have the Museum-al-Barbir crossing opened just for the sake of having the budget approved. Rather, the obstacles standing in the way of communication among the Lebanese areas must be eliminated.

In any event, with respect to the cabinet, we are in the process of consulting to find a solution to its situation, either by having it meet or by getting it dismissed so that a new cabinet may take its place. This is contingent on the success of the security steps we are aiming at.

AL-HAWADITH: Who is your candidate for forming the new cabinet, whose imminent formation has been much discussed?

Chairman al-Husayni: It is well known that the chairman of the assembly cannot express an opinion in advance. Indeed, his opinion should be the result of consultation with the various parliamentary blocs and the conclusion of this consultation should be conveyed to the president.

AL-HAWADITH: But to whom is the assembly chairman's heart disposed?

Chairman al-Husayni: Every official must consider the interests of the country before his own emotions and personal feelings.

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CSO: 4404/1

LEBANON

QUESTION OF BUILDING NEW SOUTH SIDON PORT REVIEWED

Beirut AL-IQTISAD WA AL-'AMAL in Arabic Jul-Aug 85 pp 62-64

[Article: "Al-Hariri Returns the Ball to the Government's Court"]

[Text] The Cultural Research and Documentation Center in Sidon, capital of southern Lebanon, has held a symposium on the project to establish a port south of the city and its economic, social and developmental significance, especially following the harsh circumstances the city and the south of Lebanon as a whole have gone through. A number of economically and politically influential people in the city participated in the symposium. AL-IQTISAD WA AL-'AMAL attended the symposium and recorded the most important and prominent discussions and observations.

The plan for a new port for the city of Sidon is a dream which has entranced the people of Sidon for 40 years. Since the dawn of independence, the people of Sidon have aspired to revive their city's role, which it lost in the 19th century, when Sidon was annexed to the province of Beirut.

However, throughout the decades of independence, Beirut preserved and developed its vanguard role and the role of the capital of the south, Sidon, declined, same as the other areas of Lebanon. Economic entities and politically influential persons in Sidon repeatedly demanded the establishment of a new port or expansion or development of the existing one, but there was no response from successive cabinets, for numerous well-known considerations.

Toward the end of the seventies, one of the people of Sidon, the well known businessman Mr Rafiq al-Hariri, ventured to carry out a number of development projects for the city, including an integrated project to establish a large port south of Sidon, which he presented to the president and the cabinet at that time. The project is still dormant, waiting for approval and submission to the Chamber of Deputies.

However, the course of events in the early eighties, especially the Israeli invasion of Lebanon in 1982, showed the importance of having a large port in Sidon which would respond to the needs of the city and the region of the south in general. This prompted Mr al-Hariri to take the initiative and start carrying out the project. Depth-sounding vessels were in fact brought

in, after which a start was to be made on filling and actual construction activities.

This prelude has been necessary before moving on to talk about the symposium the Cultural Research and Development Center in Sidon prepared on the project of the port and its economic, social, developmental and political importance. The symposium was held at the lecture hall in the Chamber of Commerce and Industry in Sidon and the south, in the presence of the deputy from Sidon, Dr Nazih al-Bizri, the chairman of the Chamber of Commerce and Industry, Mr Muhammad al-Za'tari, the chairman of the cultural center, Dr Mustafa al-Dindashli, the chairman of the industrial grouping of the south, Eng Sami al-Bassat, the chairman of the Society of Merchants of Sidon, Mr 'Ali al-Sharif, and a large number of businessmen and citizens of Sidon. During the symposium, lectures and statements were made and working papers were presented, then a session which was rich in ideas and discussions took place. The lecturers concentrated on the positive elements the port would offer the city and the area of the south, with the exception of Eng Sami al-Bassat, who raised questions concerning the political future of the city and the future of the port in light of the prevailing security circumstances. Some of the people present asked about the purpose of the symposium and whether there was a readymade plan which required discussion, or whether there was a plan which was facing obstacles that had to be reduced.

Some people also wondered about the legal status of the port, who would build it and who would manage it. Others questioned the economic feasibility of a large port and recommended that the situation be restricted to a small port, with the large sums stipulated to be used to establish various development projects which the city needed. One of the people in attendance raised questions on the negative effect of the port on the cultural appearance of the city of Sidon and on the fate of its antiquities. Someone else was worried that Israel would venture to prevent its construction, because it would cause competition with the port of Haifa!

As a result of the discussions, the people who met concluded with some facts which should be taken for granted, as follows:

It was necessary to build a new port, and not develop the old one.

The port would not be an alternative to any other port in Lebanon.

It had to be an integrated port, not a specialized one.

There were requirements which had to be met before construction of the port, so that these requirements could keep abreast of the port and meet the repercussions which arose from it.

It was necessary to meet the government's neglect with consensus in Sidon and the south over the need to establish the port.

Here are the most important points to emerge in the symposium, which some people considered the beginning of a media and popular campaign to carry out the project and bring it into the light of day:

Dr Mustafa Dindashli, chairman of the Cultural Research and Documentation Center and director of the symposium, considered that the port of Sidon project would result in substantial stimulation of economic life in general, the domestic and foreign commercial sector would be stimulated in terms of volume and quality, local industries would be developed, the project would attract new industries, and consequently the financial services sector would grow, the system of roads would be expanded and marine and overland transport services would be expanded. As a result of that, there would be a palpable need for hotels, restaurants and diverse tourist areas, not to speak of the anticipated development in the sector of education and in professional, university and cultural institutions.

Mr Muhammad al-Za'tari, chairman of the Chamber of Sidon, addressed himself to the project's economic feasibility and responded to those who said that Lebanon had no need for a new port. He cited the following reasons:

1. It is out of the question, practically and logically, to establish balanced development and consequently political stability in the absence of a development plan embracing the whole country, with all its regions.
2. The policy of specialized ports which is relied on in many countries of the world can also be relied on in Lebanon, since it is possible for the port of Sidon to respond to the needs of the economy of the south of Lebanon, with its production and marketing characteristics.
3. Cyprus, a country smaller than Lebanon in terms of area and population, nonetheless has had five ports actively functioning for a number of years. Therefore the allegation that there is no need for the port of Sidon is wrong.
4. Lebanon and its ports are an extension of the Arab heartland, which gives Lebanese ports a role the ports of Cyprus, for example, lack.

Mr 'Ali al-Sharif, chairman of the Society of Merchants of Sidon, considered that Sidon's commercial, industrial and commercial role attracted a broad class of Lebanon's society, drawing the al-Kharrub and the western al-Biq'a' to the south. The notion of establishing a large new port in the city arose in light of these facts. In the past, projects had been broached to expand the current port of the city of Sidon to accommodate small vessels and harbor fishing and tourist vessels, and then Lebanon entered into the ordeal in 1975, and this proved the feasibility of establishing the project.

Dr Muhammad Farhat, director general of the Bank of Lebanon's branch in Sidon, stressed the importance of the project, pointing out that merchants and economically influential people had suffered as a result of the lack of a port in the south which was capable of accommodating commercial activity and that influential persons were compelled to deal with ports which had sustained blows from the security standpoint, such as the port of Beirut and remote ports, pointing out that the Development and Reconstruction Council had completed a study of the project to develop the port of Sidon and that it had been submitted to the Council of Ministers for approval.

He expected that the project would have important status in the transit area, in addition to importance in promoting the economy and development activity and in improving the system of roads.

Eng Sami al-Bassat, chairman of the industrial grouping of the south, raised some points, proceeding from the actual tourist and security situation in the country, wondering "How can we conceive of a future Lebanon on whose basis we can build our society? Shall we build a port for a single nation or for a canton?" He considered that the approval of the project depended on the answer to the two questions, so that the magnitude of the project could be determined.

He then raised other questions concerning the entity which would manage the project and protect its installations, whether or not it would be the legitimate authorities, and whether the port would be able to accommodate ships at a time when the other ports were seeking to do so.

As well as linking the project to political decisionmaking and the security situation, al-Bassat linked the project to the development of industry in the south, considering that this factor, for its part, did not exist, because of the absence of security.

He then wondered if personnel that would be capable of administering the port and the organizations existed, referring to vital projects with rapid payouts such as building a hookup between al-Sansul and the island in the sea to form a pier which would accommodate ships in summer and winter, studying the necessary system of roads for the new port and building them, while beginning the construction of the project of the port, the construction of a mill and granaries for storing wheat, a waste plant and a sewage recycling plant, setting up a firefighting brigade, and constructing a public park for adults. Finally, al-Bassat called for the formation of a Sidon development authority to study and give concrete form to the projects.

Eng Mahmud Dindashli enumerated the projects the port needed and broke them down into two sections. First were projects which would be established within the sanctuary; these were security complexes for the port in terms of customs, general security and guard posts, the complexes of buildings for port administration companies, both civil and naval, with the provision of a ship piloting station which would furnish programming for the entry of ships into the port and their departure from it, a complex for unloading and loading equipment, stations for the reception and departure of passengers furnished with restaurants, a lounge, a hotel, a bank, offices for travel agencies and areas and depots outfitted for storage, projects to construct plants in the industrial free zones and a higher institute to graduate specialists in port administration and ship piloting, and then projects outside the harbor sanctuary connected to communications and the infrastructure. The second section was development projects which would round out the activities of the port.

Mr Ahmad Kalash, the mayor of Sidon, reviewed the current status of the port of Sidon and possibilities for developing it, then the repercussions which the construction of a large major port would leave, including an increase in

national income, reduction of pressure on the port of Beirut, improvement of conditions in the south and conversion of this area into an area of attraction, not an area of expulsion.

Mr Hasib 'Abd-al-Jawad, chairman of the Federation of Unions of Workers of the South, stated that a project of this type was very useful for a region where the unemployment rate came to 35 percent and 18 percent of families had lost all sources of livelihood.

Mr Hasan Shams-al-Din (organization of the Lebanese Communist Party); [it] agreed to the project and considered it a sort of developmental decentralization, but the organization demanded that the goals of the project be defined and that this matter not be left to the government, and the organization stressed the interconnection between the project and the development of the south.

The deputy from Sidon, Dr Nazih al-Bizri, commented on the symposium by accusing the government of involvement in postponement of the project because of the threat to it from the Lebanese forces. Al-Bizri called for the pursuit of a wide-scale people's campaign to obtain a permit for the project and to persuade Mr Rafiq al-Hariri to proceed to carry it out by providing the necessary guarantees, most important of which was preservation of the port and its installations and the impartation of legitimacy to it.

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OMAN

# COMMERCE MINISTER DISCUSSES COUNTRY'S, GULF ECONOMIC ISSUES

London AL-HAWADITH in Arabic 23 Aug 85 p 46

[Interview with Salim al-Ghazali, minister of commerce and industry: "Omani Minister of Commerce and Industry to AL-HAWADITH: Three Conditions for Success of Cooperation States' Agreement"]

[Text] Dry land is the port of ebb and tide and geography, as it is said, has its history which has given the Arab world contours that have, in themselves, been a source of natural wealth. Oman has a history written by those major voyages which opened the door of Africa. Oman also had its big fleet at one time. Moreover, Oman has its gulf between the Arab Gulf and the Arabian Sea.

In its early days, Oman chose to address the world, especially with commerce, and then chose isolation from the world's bodies and organizations only to return to the Arab Gulf and international theater in 1970.

Since the discovery of oil, certain traditional living patterns have retreated and the oil revenues have pushed forward the wheel of renaissance in construction and in development projects. But the fact that this oil will dry up one day has compelled Oman's development planners to devote attention to boosting commerce, industry and agriculture. This is what the Omani people considered their national wealth before the discovery of oil, roaming the Gulf coasts for trade and engaging in fishing and agriculture. Thus, according to the official statistics, one-half of Oman's population rely on agriculture for their livelihood. Moreover, fish constitute some of their exports to the world countries.

Now, and before the start of the Third 5-Year Plan at the outset of next year, where has the progress of industry and commerce in the Sultanate of Oman reached and what are the obstacles facing Oman's plans to diversify its sources of revenue and its economic activities?

AL-HAWADITH has tried to pick up the answer to this question and interviewed Staff Col Salim al-Ghazali, Oman's minister of commerce and agriculture, who participated at the end of last month in staging Oman Week in London. The minister defined clearly to AL-HAWADITH some features of the sultanate's economic situation.

It is well known, to start with, that a number of Gulf states are suffering from the economic recession in the area. There are government circles that attribute this recession to the world recession, without failing to point out the ill consequences suffered by the states overlooking the Gulf as a result of the Iraq-Iran war. Where does Oman stand in connection with this economic crisis?

Colonel al-Ghazali, the minister of trade and industry, said: "The Iraq-Iran war has had no impact on Oman's development plans. The Second 5-Year Plan, whose implementation will end next December, has completed nearly 95 percent of its projects. The Third 5-Year Plan will begin with the onset of next year. Commerce, trade exchange and shipping and transportation activity, all of which are fundamental in the development plans, have not been harmed by the war, especially since the ports on which we rely mainly are not located on the Strait of Hormuz."

But the words delivered by the Omani delegation during the London symposium on "economic developments in the Sultanate of Oman" underlined the importance of attracting investments and of encouraging Britons to invest in Oman where "there is no individual income tax and no restrictions on the remittance of profits to the outside world." This raises the urgent question of the extent or volume of the Gulf investments in Oman, which is a member of the Gulf Cooperation Council which has included among its objectives the ambition of economic cooperation and integration.

Responding, Minister al-Ghazali stressed: "Regrettably, Gulf investments in Oman are still limited. We wonder: Why this spending abroad when Oman awaits Gulf monies? But the investment volume is expected to grow in the wake of the better cooperation shown by the Cooperation Council member states. It is expected that the activity will increase, especially since there already are a number of laws, rules and regulations agreed upon and others on their way to see the light. All these laws will open broad horizons and greater spheres for cooperation between Oman's public sector and the private sector of the Cooperation Council member states. We encourage the sultanate's private sector to take this initiative because we believe that it is more capable than the government of performing this role and of overcoming the red tape and the shackles which the government imposes on itself. Through the Chamber of Commerce and Industry and through the support we give the private sector, we are trying to intensify the efforts and to study the possibility of increasing this assistance."

Thus, investment at home awaits Gulf capital. What about investment abroad? It relies altogether on private initiatives and continues to be limited, according to Oman's minister of commerce and industry.

In any case, investment at home with money and with technology is required to achieve the objectives of agricultural and industrial development. This is helped by the land, on whose crops one-half of the population relies, and by the available raw materials and labor.

But the final point has been linked recently, in the wake of the events experienced by Kuwait, to various demands, some calling for the codification of labor according to the needs of the Gulf states. At the same time, these states agree on the need for this foreign labor because there can be no industry, no construction and no development without work and there can be no work without labor. So what is the solution to balance this equation in Oman, for example?

"Labor is conditional for development," said Minister al-Ghazali, who pointed out to AL-HAWADITH that "the Gulf states which cannot find their requirements locally actually need to import labor from abroad. But laws and regulations to curtail this labor in the future must be established. In Oman, for example, any company winning a bid must show to the Labor and Workers Department the number of workers and type of labor it needs and then it may import such workers on the conditions that it will return them to their countries upon completion of the project unless it is proven that a worker has a skill with which he can serve another project being implemented by the company.

"If these regulations are adopted, there will be no fear of the impact of foreign labor on the Gulf. As for the Arabs in the Sultanate of Oman, they respect the laws and regulations. Perhaps their national and pan-Arab sentiment makes them believe that they contribute to the country's development and to bolstering its stability.

"In principle, Oman adopted the security issue long ago. Sultan Qabus has always stressed the need to adopt strict security measures but the others have not listened as well as they should have. Now all are beginning to be aware of this fact after the occurrence of what we had been fearing. What has happened in Kuwait can, very simply, happen in any other Gulf state unless these states coordinate their security efforts collectively.

"We in Oman hope that these efforts and measures will not constitute a source of concern or harm to the Arab brothers working in the Gulf states."

Economically, a question also had to be raised regarding the phases undergone by the unified economic agreement among the Gulf Cooperation Council member states on the basis of the natural resources and the capabilities of each country. Oman's minister of commerce and industry answered the question, pointing out three fundamental conditions that guarantee the success of the cooperation agreement in this sphere. Minister al-Ghazali said:

"Oman has always advocated deliberation in implementing the economic agreement and in studying the resolutions. The Cooperation Council's experiment will succeed if three conditions are met: First, deliberation in studies and in implementation; and second, insuring the stable security that is necessary for the investments that amount to large sums in the Gulf states where the citizens have the financial liquidity with which they can achieve a lot for the benefit of their countries. The third condition is to be realistic viewing matters and to steer clear of emotions. The components are available and we in the Gulf form a family that, among the Arab homeland's groupings, is most likely to cohere and unite."

A unified Gulf currency falls within the framework of the economic agreement and the economic officials have stressed the importance of this currency because it will eliminate fundamental obstacles from the path of trade exchange between the Cooperation Council member states. Where has the unified currency plan reached?

Col Salim al-Ghazali, the minister, raised another issue when he said: "A unified Gulf currency is still premature because the economic agreement is facing some obstacles. This is normal and expected in such an agreement. Many are the agreements concluded between groups of states in Europe and elsewhere that still face obstacles. Theory is one thing and application another. Therefore, we should not be surprised if we encounter other difficulties. As long as good will is present among all the Cooperation Council member states, then this good will is capable of eliminating these difficulties.

"For example, there is the idea of unifying the prices of utilities, such as water, electricity, gas and fuel. These prices vary in the Cooperation Council states and they receive big subsidies in more than one place, thus affecting the price of the product in the Omani local market and in other markets. To put it more precisely, there are in Oman Saudi products sold at a lower price than the Oman product, i.e., they are competitive products. Why? Because the Saudi plants are older than the Omani plants. This means that the price which the Gulf plant adopts for its product is lower than the Omani price because what is important for the Gulf plant is to cover the cost and to avoid the possibility of loss. So what is the solution? The Gulf Cooperation Council is exerting great efforts and committees have been formed and are now studying the solutions to unify the prices of services in the Council member states. All this flows into the channel of increasing the trade volume between the area's states."

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OMAN

## EFFORTS TO DEVELOP LOCAL COMMUNITIES REVIEWED

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 15-21 Jul 85 p 27

[Article by 'Ali Hashim: "Muscat: Development Activity in Various Spheres"]

[Text] Muscat--If the process of developing the local communities in the developing countries constitutes a just and urgent demand, then this process in the Sultanate of Oman represents a national obligation to enable these communities to shoulder their role in the process of building and developing through intrinsic advancement and through increased effective participation with the various government agencies to achieve prosperity and welfare.

The sultanate's philosophy of developing local communities seeks to raise the standard of these communities in the various health, economic, educational and social spheres and enlists the principle of united government and private efforts to help achieve this objective. This is because work in the local communities is not the responsibility of a single department or ministry but rather is a collective endeavor that requires coordinating and uniting these efforts. This is what has been achieved through cooperation between the citizens and the various agencies concerned with development.

The march for developing the sultanate's local communities began in 1972 when social studies and surveys were started in a number of the sultanate's provinces. The conclusions of those surveys and studies came to confirm the need for the local development of these communities.

The executive activity for the first experimental project to develop the Omani local communities (adopted by the Ministry of Labor and Social Affairs) was launched at the beginning of 1976, starting with experimental villages inhabited by 1,423 residents. By 1979, the project was extended to include 16 villages inhabited by 1,910 people.

The project's civilizational leap came at the beginning of 1980 when the project was extended to new provinces in the wake of the experiment's success. At that time, the project moved to the valleys area to provide services to 77 population centers.

The initial results of implementation of the project to develop the local communities met the expectations and the project was thus transformed into a national agency for the development of local communities in February 1982.

Throughout the past 2 years, the sultanate has witnessed ceaseless efforts within the framework of the national program for the development of local communities which has entered a new phase through the pioneer role it has undertaken in assessing and providing the basic needs of the rural communities in the spheres of health, education, agriculture, youth affairs, women's activities, enlightenment and guidance.

The cooperation and contributions of the service ministries concerned with social development have had the greatest impact on the success of the sultanate's social development, which is embodied in the national program for the development of local communities. This program covers, according to the latest statistics, more than 83 villages inhabited by more than 23,000 people.

The health services supplied by way of the national program for the development of local communities have played an important role in the dimensions of the success achieved by the program, considering that the program's health committees have participated in carrying out various vaccination campaigns, especially among children. The committees have also treated 46,033 cases in accordance with the limits set by the Ministry of Health for the curative role of the health pioneers.

In the educational sphere, the sultanate's programs for the development of local communities have contributed to setting up illiteracy eradication and adult education classes in the programs' action area in cooperation with the Ministry of Education and Youth Affairs. The total number of these classes came to 87 classes, including 31 classes for men and 47 for women, accomodating a total of 1,230 students. This is in addition to the restoration of 19 schools that teach children the principles of Islam in cooperation with the Ministry of Justice, Religious Trusts and Islamic Affairs.

In the agricultural sphere, the social development programs have been careful to strengthen this sphere through the foundation of agricultural cooperatives and model farms by the field teams.

The agricultural departments of the Ministry of Agriculture and Fish Resources cooperate by offering their technical services to make the experiment successful. The field working teams also assist the citizens in drilling drinking water wells, with 69 wells already drilled. The teams also carry out campaigns to spray crops and control mice. They have also provided veterinary care for 1,555 head of livestock.

In the sphere of women's acitivites, enlightenment and guidance, the program has performed the role of enlightening the Omani women and improving her conditions through the health and social enlightenment programs, through illiteracy eradication and home economics classes and through teaching her various skills that enable her to utilize her capabilities. Women social guides have made nearly 150,000 home visits for enlightenment. More than 1,125 teaching sessions have been held to teach women women's crafts and weaving and 8,340 sessions to teach them home economics.

Within the framework of the attention devoted by the program to develop local capabilities to undertake a major role in implementing the program's projects, a symposium was held last May for the local leaderships under the sponsorship of the Directorate for the Development of Local Communities of the Ministry of Labor and Social Affairs.

This symposium stressed that the Omani citizen is the axis and mainstay of development. It also underlined the importance of the local leaderships in the development process and the importance of programmed planning activity founded on the practical study of the requirements of complete rural development.

The program to develop Omani local communities has succeeded in attracting a number of international and regional organizations to support the project, including the UN's West Asia Economic Committee, the UN Development Program and UNICEF.

The UN development agencies' experts and advisers have lauded the sultanate and the role performed by the Omani national program for the development of local communities and have unanimously agreed that the Omani experiment in this sphere is a pioneer experiment not just at the local level but also at the Arab and international levels, pointing out that development in Oman has succeeded in reaching the broad base of citizens deep in the countryside and has been able to offer them numerous projects in which these citizens have played a role.

The UN development agencies' experts and advisers have described the project for the development of the Omani local communities as a unique phenomenon in the area which merits appreciation because it is characterized by effective interaction between the citizens and the program--an interaction which has created among the citizens the feeling of participation in organizing the efforts to develop their country.

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PALESTINIAN AFFAIRS

MILITARY OPTION SAID TO BE STILL OPEN

Sanaa AL-THAWRAH in Arabic 7 Aug 85 p 10

[Text] The escalation of military operations in our occupied country, and in particular in the land that was occupied prior to 1948, is a clear indication that the resolution by the Central Committee of the Fatah movement as well as the Revolutionary Council in their latest meetings, in addition to the resolutions of the 17th session of our Palestine National Council, has begun to be implemented, by giving priority to concentrating on the inside, in view of the fact that it is the hottest field of confrontation with the Zionist enemy.

This escalation in the quantity and quality of daring, heroic operations carried out by our revolutionaries, came as a new sign that the Palestinian military option will remain open as long as our legitimate national rights to return and establish an independent state are not regained.

Our Palestinian military option, which is now growing under the shadow of the complete withdrawal of the Arab military option, has not and will never be at any time a substitute for the role of the Arab nation in exercising its sacred duty to carry out a holy war to liberate Palestine. Rather, and in order for our Arab nation to regain its lost option, it must follow the principles and goals of the Palestinian revolution which has taken over the helm of the struggle against the Zionist enemy, depending on the energies and capabilities of our people and as an expression of their national desire for armed struggle as the only language that the enemy understands.

Even though Palestinian forces have faced the sore trial of defending themselves against attacks by some Arabs aimed at bringing them down after the Zionist enemy had been unable to do so, that stage, in spite of how much the soul bled because of the wrongs perpetrated against it, did not cause us to despair or humble ourselves, nor did discouragement creep into our souls. Rather it strengthened our resolve to prove to certain brothers and enemies that we did not bear arms just to defend ourselves but also to wield a tool to resolve the struggle in our long-lasting people's war with our Zionist enemy.

As the leaders of this enemy acknowledge, Palestinian military strength within the country has advanced in its methods and has selected the targets that it attacks. In spite of the Arab security blockade surrounding the enemy, and in

spite of the war of annihilation that occupied the revolution as it fought in self-defense, no one knows how, when or where the Palestinian forces will find success in continuing to fight their adversaries and enemies. In spite of the flood of expectations that accompanied our departure from Beirut after our epic stand in the face of the Zionist invasion of Lebanon, and after the battles that some Arabs launched against us in Tripoli and in the Nahr al-Barid and al-Badawi camps, and recently in the camps of West Beirut, and not last in the camps of the south, and in spite of the rumors of the setting of the star of armed Palestinian struggle and the occurrence of a radical change in Palestinian strategy toward a political solution, these expectations all came to naught because of the escalation of our military activity within the occupied territory. This does not mean that the current escalation of our armed struggle is the result of a strategic mistake in our political movement or of dissatisfaction with its results--not at all. We in the Palestine liberation movement believe that war and politics have a single outcome in light of the Palestinian restrictions which define the nature of our political movement that was decided upon by our Palestinian national councils.

At a time during which our political efforts have achieved tangible results in the real world toward assuring recognition of the PLO as the sole representative of our people, the escalation of our military activity within the occupied territory is the other feature of this assurance. We will continue to point our guns at the enemies' chests, no matter how hard some Arabs try to point their guns at ours.

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CSO: 4404/469

YEMEN ARAB REPUBLIC

JOINT LEGAL COMMITTEE SIGNS DOCUMENT

Sanaa AL-THAWRAH in Arabic 20 Jul 85 p 1

[Text] Yesterday morning brothers Judge Ahmad Muhammad al-Jubi, minister of justice, and Khalid Fadl Mansur, minister of justice and endowments and head of the southern half of our nation on the joint legislative and judicial committee, signed the record of the meeting that was held between them the day before yesterday. It included the holding of meetings every 6 months in Sanaa and Aden between the ministers of justice of the two halves in order to coordinate between the ministries of justice and the legal and judicial systems as represented by the public prosecutor's office.

It also arranged for future meetings and visits between the officials concerned and the other systems in order to exchange points of view in the field of the judiciary and the law, including the welfare of the Yemeni people in both halves, in order to implement the resolution by the Supreme Yemeni Council in Sanaa and Aden relating to coordination between the legal systems in the two halves.

It was also agreed to exchange legal and judicial publications, laws and decrees by the courts and the public prosecutor's office in an organized fashion.

The signing of the document was attended by a number of members of both sides in the joint legal committee and by officials in the Office of Unity Affairs.

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YEMEN ARAB REPUBLIC

JOINT MEETING ON DEVELOPMENT PROJECTS HELD

Sanaa AL-THAWRAH in Arabic 21 Jul 85 p 2

[Text] Yesterday in the Ministry of Public Works building was held a meeting presided over by brother engineers 'Abdallah al-Karshami, minister of public works and head of the supreme council for construction, and Fadl Muhsin 'Abdullah, minister of construction in the southern half of our nation.

At the start of the meeting, Engr 'Abdallah al-Karshami welcomed brother Fadl Muhsin 'Abdullah and his colleagues, reaffirming the importance of this meeting.

For his part, brother Fadl Muhsin 'Abdallah expressed his pleasure and that of his colleagues over the holding of this meeting. After that, various aspects of the activities that the ministries in the two halves were carrying out were brought up, along with subjects relating to the various works and development projects that fall under their authority.

The importance of continued meetings between officials of the two ministries, the exchange of expertise and benefits from experience in the interest of raising the standard of work was stressed.

On another subject, our brother the minister of public works in the southern half of our nation and his companions paid visits to various departments and laboratories belonging to the Ministry of Works and the agencies of roads and surveying, and they became acquainted with the great progress that they had achieved.

He also visited the new building of the public hospital which is being built by the Ministry of Public Works.

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25 October 1985

## YEMEN ARAB REPUBLIC

## CREATION OF TOURISM MINISTRY URGED

Sanaa AL-THAWRAH in Arabic 2 Aug 85 p 12

[Article by 'Abbas Ghalib]

[Text] Before talking about the importance of having a ministerial portfolio for tourism, I would like to say that what encouraged me to write about it was the cabinet's agreeing in its regular session (Wednesday) to a special reorganization in establishing a ministry of petroleum and mineral resources, because of and in response to all the development that our country has seen.

If the ministry of petroleum is to have the task of managing the affairs of oil and other mineral resources, then having a ministry of tourism will mean that attention will be given to the affairs of tourism, especially since tourism, just like oil and agriculture, is considered to be one of the country's essential resources.

If "oil" and "agriculture" or the rest of our natural resources can supply us with what we need to carry on the process of development without interruption, then perhaps the importance of "tourism" can surpass anything else, in view of the tremendous tourist wealth lying in the hearts of the Yemeni people and hidden throughout the land of the Yemen. Here it will be enough to mention some of the references made from time to time in the world media to the places of enchantment, beauty and archaeological wealth that the tourist is looking for. In many of the newspaper articles that are published in the United States and in the West in general, the writers advise the readers on the best countries, from the standpoint of tourism, in the Middle East, and in addition to some of the countries of Arab North Africa, they mention Yemen, in view of the fact that it includes--as these writers say--everything good that the tourist is looking for. This includes the good-naturedness, friendliness and welcome of the Yemeni people toward every visitor as well as the diversity of climates, which vary from hot to moderate and cold, and there is also a true inseparability between the old legacies which go back hundreds of years and whose traces are still extant to this day, as evidenced by the ruins scattered across all of Yemen, and a comprehensive, developing economic, political and social present which is reflected in the current developments of Yemeni life.

Just as having a ministry of petroleum will help in discovering sources of oil and mineral wealth and in exploiting and utilizing them properly, and in making

general plans for an oil and mineral policy that will ensure that the goals of the development plan will be realized and that the national income will be raised, having a tourism ministry will also help in discovering tourism resources and locations and in working to exploit them and directing the economic sectors and capital toward their profitable utilization so as to ensure the development of state revenues and hence the improvement of the national economy.

This is in addition to the fact that having a tourism ministry, as is done in many countries, will also help to crystallize tourist conscientiousness on the one hand and to overcome the many problems and challenges that reduce the chances of benefitting from tourism as an important revenue-producing economic sector.

Having a tourism portfolio under our present circumstances means that before starting to create it, studies must be done on guaranteed ways of making it into a serviceable and productive ministry with a twofold performance and real effectiveness, so that it does not become, in the event that it is created, just a new financial burden on the state's budget. If the idea is not at all acceptable, then it is obvious that the existing tourist establishments must be reviewed in order to revive tourism both at home and abroad, or it is at least obvious that the reasons and causes for the stagnation of tourism be studied, which is now at a standstill, even though it is the height of summer!

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YEMEN ARAB REPUBLIC

MUFTI CLAIMS MUSLIMS IN USSR FREE TO WORSHIP

Sanaa AL-AMAL in Arabic 11 Aug 85 p 5

[Interview with Ahmad Zabarah, the chief mufti of the YAR: "Muslims in the Soviet Union Live Better Than Shaykhs in Our Country; There Is No Basis To Western Imperialist Claims Of Persecution Of Muslims in the Soviet Union"; date and place not specified]

[Text] I sat and talked with him for a second time, despite his busy schedule.

The chief mufti, the learned Ahmad Zabarah, has his hands full: reading, writing, coming and going. He is currently engaged in researching and editing his late father's book, which consists of 10 volumes. He wants to write an introduction for it to prepare it for publication.

This time I spoke with him about the situation of Muslims in the Soviet Union.

I was really surprised by his outstanding ability to recall figures and names of people and places, particularly his detailed knowledge of the situation of Muslims.

He has visited the Islamic republic of the Soviet Union more than 15 times through official and personal invitation, Islamic conferences, and the like. Thus, he ridicules the claims made by western information agencies which portray the Muslims in the Soviet Union as living under the machinery of Soviet repression, and not allowed to worship or perform religious ceremonies, or suffering from religious repression.

Describing the life of the Muslims, Chief Mufti Zabarah said, "The Muslims in the Soviet Union live better than shaykhs do in our own country."

Lest I attempt to speak for him, I will let him do the talking now.

[Question] What has been your impression during your many visits to the Muslims in the Soviet Union? What is their way of life like?

[Answer] I have visited the Muslims of the Soviet Union about 15 times. My first visit was in the early 1960's, and I continued to make visits, either to

attend Islamic conferences or on private visits to Muslims, historic sites, or to Muslim theologians. Frequent conferences are held there to discuss such matters as the Palestine question and Islamic jurisprudence, and to commemorate the beginning of the 15th Muslim century after the plight of the Prophet.

A conference was held in Dushanbe and another in Tashkent which was attended by Arab and non-Arab Muslims. All of my visits to the Soviet Union have been as a guest of Soviet Muslims.

There are 60 million Muslims in the Soviet Union. There are five Central Asian republics, one of which is Uzbekistan, with a population of 15 million. The capital of Uzbekistan is Tashkent, which has a population of 1 million, of whom the overwhelming majority--80 to 90 percent--are Muslims. Tashkent is also the site of the religious board, whose chairman was Mufti Diya'-al-Din Khan who succeeded his father, Mufti Mishan Baba Khan. Mufti Diya'-al-Din Khan lived a praiseworthy and happy life. He united the Muslims and gained the trust of the Soviet government, which allowed him to exercise a great deal of power. There is no place in the world for the great Mufti Diya'-al-Din Baba Khan did not visit. Not only was he great, but he was a complete man, a politician, a scholar and devout.

He visited our country during the time of our former president, 'Abd-al-Rahman al-Aryani, and met with many individuals and theologians. We prepared parties for him in Sanaa, al-Hudaydah and Ta'izz, which were attended by theologians and notables.

His visit to this part of the Yemeni nation was a great occasion. He stayed for 2 weeks.

For 30 years Mufti Diya'-al-Din Baba Khan was chairman of the religious board in Tashkent. He died 4 years ago. The Muslims elected his son Shams-al-Din, a graduate of al-Azhar, to replace him. He knows five languages, and takes after his father in Islamic jurisprudence, wisdom and politics. The important thing is that the Muslims in the Soviet Union have earned the trust of the government, which has made everything easy for them.

They have built mosques. In Tashkent alone I saw about four new mosques. Old mosques, which had fallen into disrepair during the last days of the czar and the early days of the socialist revolution, have been repaired, and now both old and new mosques are flourishing again.

In Bukhara is the Mir Arab religious school. The name "Mir Arab" means "Arab prince" and refers to Shaykh 'Abdallah al-Hadrami al-Yamani, who was a Bukharan prince 600 years ago. This magnificent school, which resembles al-Azhar in Egypt, is a great school which has dormitories for students, lecture halls, mosques and a huge structure. It now has more than 100 students. The curriculum, which takes 7 years, includes study of the Koran, the sunna, Arab sciences, Islamic history and mathematics. After 7 years the students graduate as prayer leaders, preachers, Islamic judges, and muftis.

The Muslims take their cases before Muslim judges by choice; they are under no pressure to do so. They even prefer to bring most of their lawsuits before Muslim judges, and only a few are brought before the Soviet government courts.

The religious board in Tashkent controls a huge amount of wealth, with millions in banks in Moscow. The Soviet government is aware of this because the Muslims there give donations and pay the Muslim aims tax to the religious board, which invests it in the banks. It uses the money to build mosques and pay the expenses of the Mir Arab religious shcool. After the 7 years in Mir Arab some students enroll in the Higher Islamic Academy in Tashkent, which has a 4 year curriculum in advanced studies. Mir Arab is considered a secondary school. The Higher Acadmey is at the university level, and requires 4 years for graduation. Some of its students want to further their education in various Islamic universities, such as al-Azhar, al-Qayrawan University, al-Qayrawayn in Morocco,, the Islmaice University in Libya, the Islamic University in Damascus, the Islamic University in Jordan, and others. They graduate as great theologians who will achieve everything, particularly in the Islamic and Arab sciences. There are theologians who are extremely proficient at Arabic. The Tashkent religious board is only one. There are four altogether. The second in in Baku, the capital of Azerbaijan. It is headed by Shaykh al-Islam Shukrallah, who is a Shi'ite. His deputy is Shaykh Ahmad Isma'il, who is a Sunni. Shi'ite and Sunni Muslims are brothers in Azerbaijan. There is no enmity between them as there is in Lebanon and elsewhere, where Shi'ites and Sunnis are always quarreling. The third religious board is in the northern Caucasus in Dagestan (Makhachkala). Its chairman is Mufti Mahmud, who has visited our country twice. He has a deputy. [The jurisdiction of this religious board] includes the Caucasus, a vast region.

The fourth religious board in in Ufa, the capital of Bashkiria, and includes the Muslims in Europe and Siberia.

In Moscow there are no fewer than 150,000 Muslims, as well as a magnificent mosque, where men and women pray on the ground floor. It is jammed on Fridays, and the praying crowds spill into the street, blocking traffic the way they do at al-Sayyidah Zaynab in Egypt, or around al-Azhar.

This religious board also includes Leningrad, because there are Muslims in Leningrad, and the city of Gorky, which has about 100,000 Muslims. It also includes Kazan, the capital of Tataria, and parts of Siberia, because there are Muslims throughout the Soviet Union. The Muslims have organized themselves in the four boards, which meet regularly to discuss matters that concern them. When one of the four muftis dies they all meet to elect another mufti. When they hold conferences [representatives of] the four religious boards meet. Each of the religious boards is rich, with money in the bank from the Muslims themselves. The Soviet government helps them build mosques, gives them land for free, and provides them with construction materials at a nominal cost. The Muslims themselves do the work.

The Soviet Union is a "union" in the true sense of the word because there is no difference between the Soviet citizen who lives in Moscow or the Soviet

citizen who lives in Tashkent or the Soviet citizen who lives in Baku or the Soviet citizen who lives in Fergana. They are all equal. The supreme leader can come from any party of the Soviet Union.

[Question] Chief mufti, may we ask a question about western claims which portray the situation of Muslims in the Soviet Union as a tragedy in which Muslims are subject to repression and are prevented from practicing their religious ceremonies?

[Answer] There is no basis to anti-Soviet western and imperialist claims that Muslims in the Soviet Union are not free and cannot worship. The opposite is the case. I found them to enjoy complete freedom, including freedom to worship. Even on Fridays, those who want to go the Friday prayers, whether they are at work, or at school or at college, are allowed 2 hours to go to pray. During Ramadan, for the benefit of those university students, both Soviet Muslims and Muslims from other countries, including some from Yemen, who want to fast, the kitchen is open for the pre-dawn meal, and their workload is lightened to take into account their fasting. But unfortunately most of our children there do not fast.

9123

CSO: 4404/453

YEMEN ARAB REPUBLIC

LETTER DESCRIBES STUDENT ISSUES IN USSR

Sanaa AL-THAWRAH in Arabic 3 Aug 85 p 5

[Letter by Murad "Uthman, Byelorussia University, Minsk]

[Text] In the Soviet Union there is the largest gathering in Europe of students sent abroad from the Yemen Arab Republic. Distributed among more than 30 Soviet cities, they pursue their studies in Soviet universities and institutions in all fields of specialization.

The cultural section in our embassy in Moscow and the Union of Yemeni Students, Soviet Union branch (formerly the League of Yemeni Students), works to overcome all difficulties and to solve the problems which confront the students who are studying there.

Every year new students come to the Soviet Union to study in preparatory colleges, and the union's branch helps them to overcome language problems.

What has drawn attention in recent years is the expulsion of many Yemeni students from Soviet universities and institutions. This is attributable to a number of reasons, the most important of which is that the scholastic standard of our students is very low, especially in scientific subjects. Some of the students cannot keep up with the modern courses of instruction in the Soviet Union. This is the greatest problem that confronts our students, and the reason is that the courses of study that are taught in our country are backward. The institutions and universities are forced to transfer them to intermediate institutions or to expel them for good. This problem might be remedied if the student himself exerted greater efforts.

But there are other reasons that lead to expulsions. For example, students quit their studies (they do not attend classes, or they fail to take exams at the appointed times); in addition, there are problems of violations of the law that is observed there.

The student must promote his country's position abroad, and show it through a high standard of behavior. As our brother the president and leader, Col "Ali "Abdullah Sahlih, said, "The Yemeni citizen abroad is my people's ambassador for his country."

Therefore, time must be devoted to scientific learning, so that the student does not forget the purpose for which he traveled, which is to seek knowledge. The student must bear the responsibility because he is responsible to his nation and his people.

Our brother the cultural counselor in our embassy in Moscow has made field trips to a number of Soviet cities where Yemeni students study. He met with Soviet officials in the institutions and universities and found out from them about the various shortcomings of some of our students. During Mr 'Ali al-Ghafari's visit to Minsk, capital of the Byelorussian Republic, he met with the Yemeni students in the city and urged them to exert great efforts. He pointed to the fact that the state loses a lot of money in order to prepare qualified cadres. The visit by our brother the cultural counselor had a great effect on the students' spirits and on solving the problems faced by the students.

The cultural section of our embassy in Moscow cooperates with the union's branch in producing many cultural events and celebrations that are held in all Soviet cities on national occasions. Our students join with students from the southern half of the nation for celebrations on the occasions of the eternal revolutions of 26 September and 14 October by preparing exhibitions of pictures and billboards from our country and by acquainting Arab and foreign students with the history and civilization of our people, in addition to presenting various cultural events and folk dances. These events impress Soviet citizens and foreigners. Our students complain about not getting Yemeni newspapers and magazines, especially AL-THAWRAH newspaper, which does not come regularly and about the fact that there is not enough copies to go around to 30 cities.

I believe that it is the fault of the Ministry of Education in Sanaa, because it does not send enough copies of the newspaper AL-THAWRAH.

The expatriate student must be linked to issues pertaining to his nation and people so that he can follow the news and find out about historical accomplishments and changes that have occurred in our country. We are confident that the Ministry of Education will not be miserly in fulfilling the wishes of our students who are studying in the Soviet Union.

12547

CSO: 4404/469

AFGHANISTAN

MUJAHIDIN REPORTEDLY SCORE SEVERAL VICTORIES

Tehran TEHRAN TIMES in English 28 Sep 85 pp 1, 3

[Text] London. (IRNA)--The Afghan Mujahideen are reported to have scored military gains in Baghlan, Badakhshan and Samangan Provinces in Northern Afghanistan lying on Soviet borders on Sept 12.

According to Agency Afghan Press (AAP) from Baghlan, some 14 Karmal troops were captured in an operation in which Mujahideen surrounded a military post. The other soldiers fled to a security mud tower but the explosion of mines planted near the tower killed 18 in Baghlan outskirts.

Earlier on Sept 11, the Mujahideen took captive three military officers in a raid on the Hqs of 20th Brigade of Karmal forces in the north of Pul-e-Khurmi town, and also seized a quantity of ammunition.

Afghan Mujahideen ambushed the joint Afghan-Soviet troops near Kishem town in Badakhshan Province on Sept 7, killing 10 as well as wounding some others. Two Mujahids were martyred. They also demolished two armored vehicles by rocket fire.

In Samangan Province, two hundred Karmal soldiers at Khulm Town joined the Mujahideen. According to AAP Abdul Karim, Pehlwan Khan and Khalifa Saleem, local commanders of Karmal militia contacted the Mujahideen and intended to join them to fight against the Soviet occupiers. After receiving positive response from Afghan Commander, Yar Muhammad, 200 soldiers along with their commanders joined the revolutionaries in southern mountains of Khulm on Sept 13, bringing with them one truck, three jeeps, wireless sets as well as various types of arms.

The London-based Afghan Press Agency said Thursday that Afghan Mujahideen have frustrated an attempt of Soviet-Karmal troops to take the control of the Chak-Wardak dam near Kabul.

The agency said the area was under the control of the Mujahideen.

It quoted Mujahideen sources as saying that Soviet helicopters bombed the area on Sept 9 in an effort to seize control of the dam and the power station.

Two Mujahids and 11 civilians were martyred in the fighting.

Chak-Wardak dam has been under the control of Mujahideen for the last five years.

AFGHANISTAN

SOVIET-AFGHAN COLUMN REPORTEDLY AMBUSHED BY MUJAHIDIN

Tehran TEHRAN TIMES in English 29 Sep 85 p 1

[Text]

TEHRAN (IRNA) — Afghan Moslem Mujahideen ambushed a military column near the historic town of Gilan, recently, killing 16 joint Soviet-Karmal troops on September 6.

According to an Afghan Press Agency report three military trucks were also set ablaze in the attack.

The military column was enroute to Qandahar from Kabul when it came under Mujahideen attack midway to the town of Gilan.

The Mujahideen staged a tactical retreat after the arrival of Soviet planes and helicopter gunships, it said.

Three Mujahideen members were martyred and 11 others wounded in the fighting, the agency added.

Earlier an UPI Islamabad datelined report said a top Afghan guerilla leader was killed this week during fighting between the guerillas and Soviet-backed government forces on the Afghan-Pakistan border, according to guerilla sources Thursday.

The guerilla commander, identified only as Dadmir, was the third guerilla leader to die

in fighting this month, said officials of the Pakistan-based National Islamic Front of Afghanistan, the report said.

Molvi Ahmad Gul was killed in a battle near the border on Sept. 6, and Fath-ulla Haqqani was killed on Sept. 13. Haqqani was the top aide to Jalaluddin Haqqani, chief of the resistance forces in Paktia, sources said.

Dadmir was killed Tuesday as his fighters repelled an assault by 900 Afghan troops on guerilla bases at Ghelzai and Sulaimanza, about 6 miles (10 km) southeast of the garrison town of Khowst in Afghanistan's Eastern Paktia Province, which borders Pakistan, the resistance sources were quoted in the report to have said.

The Afghan forces, supported by Soviet troops, launched the attack last Monday in a bid to wipe out guerilla strongholds, the sources said. The Soviet Union has maintained troops in Afghanistan since invading the country in December 1979.

The government forces suffered heavy losses in the battle, and were attacked again as they withdrew from the area.

AFGHANISTAN

MUJAHIDIN 'LIGHTNING ATTACK' ON QANDAHAR REPORTED

Tehran TEHRAN TIMES in English 21 Sep 85 pp 1, 3

[Text] London (IRNA)--Afghan Mujahideen launched a lightning attack on Qandhar airport, using ground-to-ground rockets and missiles, causing extensive damage to buildings and runway on August 25.

Quoting an eyewitness account, Afghan press agency sources reported that fighting continued till 12.00 at noon, resulting in heavy damage to the main airport terminal.

A part of the runway was also put out of operation.

According to another report, the Mujahideen of Al-Fatah Front forced a convoy of government and Soviet troops to retreat in the Gul Ghundi area of Paktia Province.

The convoy consisting of 35 armored personnel carriers came under a heavy barrage of rockets while proceeding from Gardez to help the beseiged cantonment at Zazi.

The casualties on both sides during the operations could not be confirmed.

An UPI report from New Delhi quoting Kabul radio meanwhile said Soviet and Afghan government troops killed more than 2,000 Islamic guerillas during a major offensive in Afghanistan's southeastern Paktia Province.

The broadcast monitored Wednesday night in New Delhi said several guerilla leaders were killed in the operation, aimed at lifting a yearlong siege of the garrison town of Khost, about 15 miles (25 km) from the Pakistan border.

The radio did not mention Soviet or government casualties, but Western diplomats said more than 1,000 troops were killed or wounded in the fighting which began mid-August, UPI said in its report.

Western diplomats said the main operation in Paktia appeared to be over, although sporadic fighting continued. It is not clear who won, it said.

Pakistan hospitals close to the border have been flooded with wounded guerillas, the report said.

CSO: 4600/34

AFGHANISTAN

FIGHTING INTENSIFIED IN QANDAHAR

Tehran KAYHAN INTERNATIONAL in English 18 Sep 85 p 1

[Text] New Delhi, Sept 17 (Dispatches)--Islamic fighters rained mortars on Kandahar, Afghanistan's second largest city, and battled government troops in the streets, forcing civilians to flee, western diplomats said Tuesday.

The diplomats said fighting had intensified between the Mujahideen and Soviet-backed Afghan troops in Kandahar, about 300 miles (480 km) southwest of Kabul.

"One source told us that Mujahideen had fired rockets and mortars at the center of the city on an almost daily basis," one diplomat told reporters.

On Sept 8 Mujahideen rocket attack on the city center sparked fires that destroyed two shops and several warehouses, the diplomats said in separate briefings.

The diplomats, who spoke on condition they remain unidentified, reported street battles between the Mujahideen and Afghan government forces.

"Many civilians have recently fled Kandahar, most to avoid the fighting," one diplomat said.

The diplomats said the Mujahideen ordered shops in one of the city's largest markets to close down in late August for more than two weeks in order to clear the area for a Mujahideen attack on a nearby Soviet encampment.

Food Shortage

They said Afghan government forces drove into the market in armored personnel carriers on Sept 2 and used loudspeakers to warn shopkeepers that unless they reopened the shops the troops would burn them down.

The shopkeepers complied with the order, the diplomats said.

One diplomat quoted a city resident as reporting a food shortage in Kandahar. "Tomatoes are the only commodity widely available in the city, which is normally well supplied," she said.

North of the capital, more than 60 Soviet and Afghan government troops were killed in a recent offensive to eliminate Mujahideen bases in the Paghman district, the diplomats said.

They said the Mujahideen destroyed 10 tanks, six trucks and several helicopters in the weeklong fighting.

The Afghan government announced last Thursday that the Mujahideen had been "crushed," the diplomats said. One diplomat said the Soviet-led offensive had shifted to the Logar district south of Kabul, where they aimed to sever Mujahideen supply routes.

Afghan Mujahids are battling to expel an estimated 115,000 Soviet troops from Afghanistan and oust the government of President Babrak Karmal.

CSO: 4600/36

AFGHANISTAN

ARTICLE REFLECTS ON ELECTIONS, OTHER MATTERS

Kabul ANIS in Dari 7 Aug 85 p 3

/Text/ The fourth presidential elections will soon be held in Iran. According to the press reports of the Islamic Republic of Iran, out of the 50 individuals who announced their candidacy for president only three were selected as acceptable /including the present president/ candidates by the regime's Council of Guardians--as the only three individuals who are competent for president and the rest lack such competency. It should be noted here that the members of the Council of Guardians are selected by the Velayat-e Faqih /Religious Guardian-Jurisprudent/. From among the rejected candidates for president one can name Engineer Mahdi Bazargan, the first Iranian prime minister after the advent of the revolution who was appointed to this post by the religious guardian-jurisprudent (Khomeyni) himself.

Through such hocus-pocus and election juggling, the medieval regime of Iran intends to pull out of the ballot boxes one of the three trusted obedient servants of the Velayat-e Faqih.

The legerdemain and prestidigitation in the election matters has a long history in Iran. To be precise, during the shah's regime, Iranian people used to call ballot boxes "the miracle-worker boxes." By experience they found out that while they had cast their ballot for Harry all of a sudden they would see that Tom's name would come out of the miracle-working boxes. Now, the election skulduggery and chicanery of the reactionary rulers make the shah look good in comparison to their own duplicity. The ruse is so evident that they tell people they can only vote for these three men who have been selected by the Council of Guardians.

This fraudulent election theatrical play is held at a time when people are deprived of their basic personal, social, legal and judicial security. At a time when the lives, possessions, homes and occupations of the inhabitants of the cities are savagely and inhumanly being assaulted by the marauding and predatory elements of certain organs. It is quite routine and normal for these elements to insult, defame and asperse people and personalities. It is considered an offense to believe in progressive and revolutionary thoughts in the Islamic Republic of Iran. Freedom of pen, speech, gathering, parties, syndicates, unions and councils which have all been officially recognized by the constitution are taken away from people. The prisons of the regime of Velayat-e Faqih (Khomeyni) are all filled with tens of thousands Tudehis, Fadaiyans /majority of prisoners/ and other Iranian patriots.

Infliction of tortures such as electric shock, injection of convulsion-inducing medicine, injection of medicines which affect free volition, insertion of or imbedding of a burning-hot needle under the nails [which causes it to break], burning of various parts of the body with hot iron or a lit cigarette, rape of men and women, hanging of the culprit by the feet, the hand or the hair, use of wire, cable and leather whips and flogging of the offenders up to the point of unconsciousness, infliction of blows on the head and similar other tortures are quite normal procedures followed in the dungeons of the Velayat-e Faqih's regime.

This puppet-show of election of the regime is held at a time when as a result of war-mongering tendencies of the reactionary and non-humanitarian leaders of the two warring regimes, the war between Iran and Iraq still continues. This devastating war has taken many victims and in its wake it has brought many afflictions and calamities for the people of the two countries. The number of the dead and the invalids from both nations reaches several hundred thousands. As a result of bombings and attacks by rockets many towns and villages have been reduced to dust and several million people have become homeless wanderers--the financial loss alone amounts to hundreds of billions of dollars!

This medieval regime is leading Iran toward complete economic dependency on imperialism. Right now, the share of export of imperialist and imperialist-related countries to Iran is well over 90 percent. Eighty percent of Iranian industries are dependent on foreign countries. Most of the industrial institutions are either closed or are running at half capacity. Likewise, Iranian agriculture is one the verge of bankruptcy. The import volume of agricultural products increases every year. Presently, between 15 percent to 20 percent of the population of the country are unemployed [either covertly or overtly].

The reactionary ruling body of Iran in the undeclared war against the Democratic Republic of Afghanistan is practically following in the footsteps of the most reactionary imperialist countries, namely the United States. The reactionary rulers of Iran train and arm Afghan counterrevolutionaries and unashamedly interfere in our internal affairs.

In circumstances when the reactionary rulers are leading Iran to perdition, in circumstances when the most basic rights and freedom of the people is trampled on, there is no possibility for a free election; the struggling and fighting people of Iran avoid taking part in this kind of cleric-rigged elections and they will continue to ever expand and strengthen their fight against that regime.

12719

CSO: 4665/134

AFGHANISTAN

BANKS TO PROVIDE VARIOUS SERVICES

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 23 Jul 85 p 5

/Text/ With the concentration of the banking system, particularly after the new and evolutionary stage of the Sawr revolution the activities of the banks have become more systematic and centralized and they've provided numerable facilitating services in the matter of banking transactions such as extending loans, opening letters of credit for import and export and other monetary service transactions for government institutions, private merchants and our dear countrymen.

One of the most active commercial banks is the Pashtani commercial bank which with 31 years of banking experience has accomplished praiseworthy activities in the commercial field throughout country.

This bank began its activities in 1333 /21 March 1954 - 20 March 1955/, with an initial capital of 120 million afghanis. In 1356 /21 March 1977 - 20 March 1978/ its capital increased to 400 million and in 1358 /21 March 1979 - 20 March 1980/ its capital rose to 500 million afghanis. At present, according to the decree and decision of the Council of Ministers of the DRA, its capital has reached one billion afghanis.

Through extending or granting import and export credit loans to domestic and independent merchants and other domestic companies, the Pashtani commercial bank has played a praiseworthy role in the growth and development of export products. For instance, through extending credits it has provided facilitating measures for domestic merchants which enable them to export such major items as skin of Karakul lamb, wool, pelt/hide, sesame, linseed(flaxseed), raisin, almond, pistachio, walnut, dried apricot, pomegranate, sweetroot or liquorice, etc... to foreign markets and thereby bring in considerable foreign exchange and contribute their share in the national growth revenue.

The variety of facilitating services provided by this bank for domestic merchants and industrial institutions in opening of import and export letters of credit, opening of current accounts and extending promissory notes and other similar services in domestic and foreign shipping and forwarding affairs or transactions are all praiseworthy.

Through five representative branches in various provinces such as Qandahar, Herat, Balkh, Qonduz and Faryab and four foreign branches in Karachi, Peshawar, Chaman

and elsewhere, it provides various banking and monetary transaction services. For instance, in Kabul city in addition to providing the above-stated services it also provides for fast and speedy shipment of possessions and also has safety deposit branches where people can keep their valuables and negotiable papers (bonds), etc.

From the date of its establishment by granting long and short-term loans to various domestic commercial firms, the Pashtani commercial bank has been active in the development of foreign trade, buttressing the commercial institutions to be able to export domestic products to foreign markets and provide the opportunity to import the necessary goods for the country.

In 1363 /21 March 1984 - 20 March 1985/ this bank provided 1.611 billion afghanis in the form of credit loans for imports to the domestic merchants and other private enterprises, and likewise during the same period it provided 1.161 billion afghanis in the form of credit loans for exports. The total of above-stated credit loans exceeds 2.772 billion afghanis.

In a like manner, in order to continue the growth and strengthening of commerce in the country and carry out their share in the economic development of the country during the current year, the officials and employees of the said bank intend to present and continue their services to the customers in a more effective and fruitful way according to the envisioned plans.

12719

CSO: 4665/132

AFGHANISTAN

THOUSANDS OF INSTRUCTORS TRAINED FOR 'NEW EDUCATION SYSTEM'

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 25 Jul 85 p 2

/Text/ The advent of profound transformations in the area of instruction and training comparable to the social, economic and political changes throughout the country necessitate an urgent need for training youth in this field.

With this great objective in mind, resolution number 2136 of the Council of Ministers of the DRA has appropriately indicated the method of approach and as a result, within the framework of the Ministry of Education and Training of the DRA, the Central Institute for the Completion of Teachers' Specialty was established. The work program of this institute is reflected in the format of a set of instructions for training and instruction.

Under the present conditions of the development of social life in science and technology none of the courses of study can equip teachers with all the knowledge that is necessary to encounter life. Therefore, as of the date a teacher becomes entrusted with the holy profession of teaching he should continue his self-education in the pertinent field and try to improve the level of his knowledge in the area of his specialty. He should continue to improve his ideology and world-vision in a manner consistent with the needs of the growth of the society and get acquainted with the new phenomena in the area of education and training. Particularly, under the present circumstances when the foundation of the new system of education and training continues to grow and expand along with the qualitative transformations, the growth and enhancement of political, scientific and specialty knowledge of the teachers seems a necessary matter. The Central Institute for the Completion of Teachers' Specialty, which is entrusted with this momentous task, has been able during the past two years to familiarize 19,000 instructional staff with the new teaching and training methods. As a result, this fruitful familiarization has given rise to the qualitative growth of the new system of education and training and has enabled the teachers to understand the advantages of the new instructional methods and thus redirect their work accordingly.

The major content of the work of such institutes consist of the formation of systematic courses, holding scientific and methodological seminars and conferences in order to enhance the level of teachers' knowledge in specialty fields, improve the vision and outlook of the educational cadres, principals and their assistants.

Furthermore, generalization and expansion of the experiences of pioneering teachers, preparation of pamphlets on methodology, active participation of the institute members in the conferences of the pedagogical, methodological and scientific

councils, formation of pedagogical training courses for teachers and implementation of the decisions or resolutions of the pertinent educational authorities are some of the other duties of the Institute for the Completion of Teachers' Specialty.

The general work program of this institute is determined by the annual plan and the five-year prospective roster which have been prepared by the leading officials of the institute. Moreover, administrative order and discipline, research and investigative power, qualitative enhancement of the work, creativity and initiative in understanding the relationship of this institute with the party committee, installation of experienced and knowledgeable cadres, enhancement of scientific and political knowledge, furtherance of the world outlook of the scientific members of the institute comprise some of the principal duties of the above-stated institute. The Central Institute for the Completion of Teachers' Specialty, which is in charge of implementation of the new method of education and training in the country, also has the responsibility to adapt the new format and method to conform with the present demands of the country.

In order to be able to make any progress as envisioned by the institute, the selected cadres have to be equipped with scientific theory, higher education and the new methodology. The analysis and categorization of the specialty knowledge of the teachers ought to be mapped out at relevant seminars and in a like fashion, the periodic formation of seminars should be given serious consideration. Since it is not possible to establish a teaching method in one week from a certain book and on the other hand, formality or mere show should not be the criterion.

For the purpose of proper coordination in the implementation of the goals of the central institute, some affiliated branches have been established in various provinces of the country so that the collective work of familiarization with the new method of education and training could be carried out according to the prescribed instructions of the Central Institute as far as possible.

It is planned to establish scientific and methodologic branches in the eleven districts of the capital so as to create a continuous and direct connection between the schools and the institute and thereby be able to eliminate any and all of the educational and training problems and deficiencies which come about in the schools by the institute representatives. Further, it is intended to enhance the experience of the pioneers, teachers and students through the pedagogical, scientific and methodological council meetings by the participating representatives of the institute who will provide proper guidance to the teachers. In addition, they will investigate and discuss the teaching method of the teachers and work toward eliminating any and all inadequacies.

It is intended to implement and coordinate the work plan of the institute with due consideration to the existing education and training condition of the city through systematic convention of seminars. Also it is planned to set up pertinent workshops and conferences in the eleven above-stated districts so that

most competent and knowledgeable teachers and educational authorities could be invited in order to impart their knowledge to the participating teachers.

Furthermore, scientific and methodological conferences will be held for the benefit of the scientific members of the institute. It is hoped that through these gatherings and meetings of the minds our teachers will stand to gain and utilize the invaluable experiences.

12719

CSO: 4665/132

AFGHANISTAN

CULTURAL CENTER INAUGURATED FOR WORKERS USE

Kabul ANIS in Dari 3 Aug 85 p 2

/Text/ Two days ago, the first Cultural Center of the Guild Unions of the DRA was inaugurated for use by workers and their families during a special ceremony by Mahmud Beriali, alternate member of the Political Bureau and secretary of the Central Committee of the PDPA in the city of Kabul. During the inauguration ceremony of this cultural center, members of the PDPA Central Committee, members of the Central Council and that of city of Kabul, industrial unions of Afghanistan and pioneer and innovator workers of various production and construction institutions of the city of Kabul were also present.

After the inauguration ceremony all the participants attended a party which was given by the workers' representatives of various institutions of the city at the movie auditorium of the Cultural Center.

Addressing the participants, Mahmud Beriali made a speech regarding the progressive goals of the party and the government in different areas of our toiling workers' life and said: I, personally congratulate you on the occasion of the first Cultural Center as the beginning step along the path of a progressive culture.

Mahmud Beriali went on to say: You workers not only are the safe and sound pillars of the revolution but also are the builders of the new society. Undoubtedly, the development of the future society of the country without the leadership of the toiling workers' party and all the workers of the PDPA is not possible.

It is for this reason that I say that the party belongs to you the working class and all the other toiling people of the country.

Further, Mahmud Beriali stated: At the present time we are engaged in an undeclared war with imperialism and reaction. It all depends on how decisively we are going to fight these forces and defend the revolution.

Moreover, at the beginning of this meeting, Satar Pardali, director of the Central Council of Guild Unions of Afghanistan also made a brief statement.

In addition, Abdol-Rahman, a worker from Jangalak Factory's metal construction department talked about the relevant subject of discussion.

The Cultural Center of Guild Unions of Afghanistan was restored, equipped and partly built by Khorshid Construction Company in cooperation with the party committee of Kabul city and all the institutions and various departments of Kabul's Municipality at a cost of 50 million afghanis.

The Cultural Center, which has undergone major repair and restoration work, is one of the landmarks of the city which was built during the reign of Amanieh and it is 65 years old.

12719

CSO: 4665/133

AFGHANISTAN

HOUSING PROVIDED TO NEEDY WITH EASY TERMS

Kabul ANIS in Dari 3 Aug 85 pp 1, 4

/Text/ The People's Democratic Party of Afghanistan and the government of the Democratic Republic of Afghanistan which consider it their sole duty to secure the happiness and prosperity of the masses, always try to create better living and work conditions for our countrymen. To this end, our government has tried to provide those poor and needy individuals who have for many years been wanderers of the earth and have not had a roof over their heads with living quarters at easy terms.

In consideration of this goal, after the victory of the national and democratic Sawr revolution, particularly its new and evolutionary phase, 60 new houses have been built by the Housing Department and put at the disposal of needy families, whereas the same department during its 20 years of existence before the advent of Sawr revolution had built only 75 dwelling units.

In order to make sure that no injustice is done in the distribution of the lodging facilities among needy people, on 11 January 1984 the Political Bureau of the PDPA Central Committee entrusted a competent commission composed of the party, government, and social organizations' representatives with the task of carrying out the distribution process as fairly as possible. The above-stated commission during its short period of existence has distributed 2,549 questionnaires among needy home applicants and at the same time it has distributed 1,051 apartment units among the indigent families.

The Political Bureau of the PDPA Central Committee in its regular session of June evaluated the work which has been done by the said commission and called it quite satisfactory.

At the meeting of the Political Bureau the end of the work by above-stated commission was announced and thereafter it (PB) entrusted Kabul Municipality with the task of drawing on the experience and guidance of the commission and within 15 days prepare a relevant list of the government residential units and plots of land which are ready for distribution so that after approval by the Central Committee of the guild unions of Afghanistan and the Ministry of Justice it could be forwarded to the Council of Ministers.

I was interested to see for myself and interview some of the needy people who were selected by the commission to receive a dwelling quarter in Makrurian neighborhood. For this reason, together with the photographer of the newspaper we

went to see apartment building number 162. After reaching that block of apartments I chose unit number two and pushed the door bell and no sooner had the bell rung than I heard somebody from inside saying please come in.

While the person who answered the door bell was opening the door, I intended to thank him and ask him to come out for an interview, but I soon realized that my intentions were all in vain since the person in question was not able to stand long on his feet outside in the hallway with me. I noticed that he had lost one leg and one could visibly see scars which had been left as a result of wounds he had received over his hands, on the nape of his neck and his face. Thereafter, I stood close to him and after thanking him for his kindness I asked him to tell me about his life and occupation and how he became a home owner.

He introduced himself as Mohammad Rahim, an officer who was stationed at the border subprovince area of Orgun and stated: We were informed that a band of counterrevolutionaries were hiding in the mountains of eastern Orgun and under the cover of darkness they had disturbed the quiet life of the people in the area and inflicted a great deal of financial damage and caused some loss of lives among the inhabitants. Therefore, our company decided to destroy this band. For this reason, we started our operation from a point over the mount which overlooked their hideout and our company was able to completely annihilate the enemy band while we suffered only an insignificant loss of ammunition. However, after destroying the hideout of the enemy we captured varieties of weapons of U.S., China, Egypt and other imperialist and reactionary governments who had sent these weapons for the slaughter of mankind. It was during these operations that I inadvertently stepped on a mine and lost my leg and suffered other injuries. Since it was not possible for my family to take care of me, I had to stay in a hospital for sometime and it was during my stay at the hospital that I requested that the commission consider me for living quarters. After about 10 days from the date of my request I received a phone call which said I had to go to the Municipality in order to sign some papers and receive the key to my home. With the help of the people in the hospital I went to the Municipality and after completing the paper work I got the key and I am living in this apartment quite comfortably.

He also added: Now I wish to return once more to my company and sacrifice my last drop of blood in the service of the Sawr revolution and the people. In addition he said, in appreciation for my services I've also received a badge for bravery (Mirani) and have been awarded the Horse-Badge too. These medals prompt me to spill my blood for the country. After this conversation I thanked him and bade farewell. Outside, in front of the building I encountered a tall young man who had covered his hand with a cloak-type garment which was draped over his shoulder as I stretched out my hand to shake hands with him unfortunately I noticed that he did not have any fingers at all. Thereafter, I asked him to tell me very briefly how he had been selected to receive an apartment. Then we sat in front of the building and he began to talk: My name is Hasrat Gol and I come from Panjshir area. As a result of the savagery and carnage committed by counterrevolutionaries I was prompted to voluntarily join the armed forces so as to rid our suffering people from the filth of these vile and wicked individuals. For a long time I

remained and served as a private in 92nd battalion and here and there took part in many operations against counterrevolutionaries. In one of these combat operations in Kajki region we attacked the hideout of the filthy enemy and succeeded in destroying them completely. It was during this special operation that I lost both my hands. Unfortunately, I don't have any hand now to strangle the enemy with; however, in my heart I have abundant love for my country, the people, and the revolution and as much hatred for the enemy. In answer to my question as to how he came to become a home owner, he said: After I became aware of the fact that our party and government provided residential facilities for some people I forwarded a petition to the Municipality and after going through the initial formality of paper work, I became a home owner and now live with my family (who had never before had a roof of their own over their heads) a comfortable and happy life.

12719

CSO: 4665/133

AFGHANISTAN

TWO ORGANIZATIONS ACTIVE IN LAND DISTRIBUTION

Kabul ANIS in Dari 5 Aug 85 pp 1-2

/Text/ During the first quarter of the current year the Provincial Council of National Fatherland Front of Qandahar cooperated with the Democratic Water and Land Reform Organization by settling disputes over 1,844 hectares of land and distributing 292 land deeds among the farmers in the districts of Arghandab and Maywand. The abovementioned source also added: This council has also created 25 Farmers' Councils and the stationary and mobile groups of the said council through extensive and fruitful propagandas has been able to impart the righteousness of the Sawr revolution and the humanitarian objectives of the National Fatherland Front to the people, and ever more divulge the filthy and savage face of the counterrevolutionaries and their reactionary and imperialist masters. They also have been able to set up 23 demonstrations and meetings in the above-stated districts in which more than 2,000 people participated.

The source went on to say: As a result of activities of the propaganda groups during the same period 94 new members have joined the abovementioned councils.

Furthermore, during the same period members of the Provincial Council of the National Fatherland Front have helped other people and the toiling farmers with their harvest, cleaning of the living environment, draining and dredging of waterways and levelling of roads. Additionally, they've assisted in other voluntary work which has created an income of more than 900,000 afghanis.

The source also said: During the same period more than 40,000 afghanis have been distributed among the martyrs' families and other indigent people, and moreover in order to receive aid, some individuals have been introduced to the Red Crescent Society and they've been given proper assistance in the form of 466 kilograms of wheat and over 70 kilograms of vegetable and animal shortenings.

As regards the general public's requests, the above-stated source added: The toiling people of these districts have sent separate requests regarding the preparation and distribution of more fuel oil in the hamlets and villages, control of the prices, preparation of purified drinking water, etc... to the relevant councils and in turn the Provincial Council of the National Fatherland Front of Qandahar has referred their complaints to the pertinent organizations, however as of now no action has been taken by the responsible officials in resolving those problems.

The source further said: As a result of the activity of the aforementioned council an amount of 214,893,018 afghanis debt to the government have been collected.

Further, the source added: During the first quarter of the current year, the Provincial Council of the National Fatherland Front of Qandahar established eight literacy courses in which more than 120 people are enrolled. In addition, for the purpose of resolving family and student-related problems they have created four parent-teacher associations, five family arbitration commissions and three other groups for resolving various other disputes. Similarly, through the co-operation of this council 80 people have been formed into four groups as defenders of the revolution and 60 volunteers have been introduced to the ranks of the armed forces.

12719

CSO: 4665/134

AFGHANISTAN

RESEARCH INSTITUTE TO ASSIST FARMERS COMBAT ANIMAL DISEASE

Kabul DEHQAN in Dari 21 Jul 85 p 8

/Text/ Along with the development and reinforcement of the work of stock-breeding and together with the propagation and proliferation of a healthy breed of milk and meat-producing cattle, the treatment and preventive measures of the animals in question seems to be very necessary. Veterinary medicine encompasses a major section of the activities of the Ministry of Agriculture and Land Reform of the DRA. In recent years serious attention has been paid to this particular matter. From among these activities the enhancement of the Research Laboratory for the Diagnosis of Animal Disease to the level of an institute is considered to be a very useful measure which will have a major role in safeguarding and protecting the cattle of the country.

To this end, the foundation stone of this institute was laid with the cooperation of the World Food and Agriculture Organization in 1357 /21 March 1978 - 20 March 1979/ and in 1360 /21 March 1981 - 20 March 1982/ its construction was completed and it became operational.

A source from the Research and Diagnosis of Animal Disease told a DEHQAN correspondent that in the above-stated institute, in addition to 38 technical Afghan personnel, there are four specialists from the Soviet Union and three specialists from the United Nations.

In this institute various viral, bacterial and parasitic diseases plus other animal diseases which cause a reduction in animal products or finally lead to the death of animals or other infectious diseases which are common to both men and animal are all researched, examined and carefully investigated. In the pathology branch of this institute blood samples or animal products of certain diseased cattle which are sent by private, government, cooperative or stock-breeders farms are received and directly forwarded to the laboratory in order to determine the cause of an infection or disease. Thereafter, the result of the diagnosis is sent to the animal clinic and the management in charge of control and treatment of infectious disease. The bacteriological branch of the institute reconfirms the diagnosis of the pathology branch as to the nature of the infectious agent.

In addition to the task of research and diagnostic duties, the Institute for Research and Diagnosis of Animal Disease also prepares a practical groundwork for the Veterinary College, the animal-breeding branch of Agriculture College and the Higher Agricultural Institute.

Through the presentation of some short-term relevant courses the government's Veterinary Service Department also helps to enhance the technical and professional skills and knowledge of the concerned individuals. This department provides all the necessary guidance for veterinary workers, cattle and poultry farms and puts all pertinent information at their disposal.

In 1363 /21 March 1984 - 20 March 1985/ a total of 69,563 samples (blood and so forth) were received by this institute from the central province and other regions throughout the country. At the same time a total of 123,022 laboratory tests were carried out which showed all in all 75,022 tests over and above the projected plan.

In the first quarter of 1364 /21 March 1985 - 20 March 1986/ a total of 20,715 samples were received by the said institute and in the same period a total of 38,581 laboratory tests were carried out on those samples. This number of tests showed an increase of 17,331 over the projected plan for the period in question. It should be noted here that other representative branches of this institute are located in the provinces of Nangarhar, Balkh, Qandahar and Herat and all are ready to serve the cattle-breeders of the country.

12719

CSO: 4665/131

AFGHANISTAN

SOVIET PLANE DOWNED

Tehran KAYHAN INTERNATIONAL in English 23 Sep 85 p 1

[Text]

**ISLAMABAD, Sept. 22 (Dispatches) —** Islamic fighters in Afghanistan have shot down a Soviet transport plane, killing 26 soldiers, resistance sources said on Sunday.

The resistance sources in Peshawar, a Pakistani city near the Afghan border and 100 miles (160 kilometers) northwest of Islamabad, said the plane was hit by a SAM-7 missile last Tuesday at Massai, nine miles (14 kilometers) south of Kabul, the Afghan capital. But they could not identify the type of the aircraft.

Several bodies of Soviet soldiers were charred beyond recognition, resistance sources said.

The plane was carrying a sizable quantity of ammunition besides troops they said.

The plane was reported heading toward the eastern province of Paktia, the scene of a recent major Soviet offensive against the Mujahideen.

AFGHANISTAN

MUHAHIDIN REPEL ATTACK

Tehran KAYHAN INTERNATIONAL in English 24 Sep 85 p 1

[Text]

**MASHHAD, Khorassan Prov., Sept. 23 (IRNA) —** Afghan Muslim revolutionaries killed or wounded a number of Soviet soldiers in a large scale land-aerial attack of Soviet-Afghan troops which was beaten back in Badakhshan Province in the second week of September.

Afghan combatants seized a large amount of ammunition as well as weapons including 30 machine-guns, forcing the joint forces to withdraw under support of MiGs and helicopters.

In retaliation for their defeat the joint forces set ablaze farms in Badakhshan and brutally beheaded a group of people among them women and children.

CSO: 4600/35

AFGHANISTAN

BRIEFS

MUJAHIDIN COMMANDER KILLED--Islamabad, Sept 14 (Dispatches)--Afghan Mujahideen commander Fathullah Haqqani was martyred fighting Soviet and Afghan government troops in Afghanistan's southeastern Paktia Province, a Pakistan-based Mujahideen group has announced. The Hizb-e-Islami group, led by Molvi Muhammad Yunus Khalis, said Fathullah and two local commanders died in mortar fire Friday near Lezha, six miles (10 km) inside Afghanistan. Fathullah, the second highest Mujahideen commander in Paktia Province, was the second Mujahideen to die in the past week. "We are saddened by the martyrdom but we will not retreat," the leader of Hizb-e-Islami said in a statement Friday. The third highest Mujahideen commander in Paktia, Molvi Ahmad Gul, was martyred Sept 6 with three other Mujahids in a battle against Soviet forces near the Mujahideen strongholds at Bari and Lezha. Three weeks ago, Soviet forces launched their biggest offensive yet against the guerrillas in Paktia. According to Hizb-e-Islami, the Mujahideen pushed Soviet and Afghan government troops out of Bari and Lezha Sept 5 and pursued them to Tani. The Soviet troops later shifted the focus of fighting from northern Jaji to the garrison town of Khost, about 15 miles (25 km) from the border. [Text] [Tehran KAYHAN INTERNATIONAL in English 15 Sep 85 p 1]

FIGHTING CONTINUES AROUND KHOST--London, Sept 16 (IRNA)--Fierce fighting around Khost cantonment in Paktia Province of Afghanistan is still continuing between the Mujahideen and the combined Afghan-Soviet troops, the London based Afghan Press reported Monday. It said 100 Soviets were killed in an effort to break the siege around the cantonment. Afghan Press said 33 government soldiers joined the Mujahideen bringing arms and ammunition with them. The Mujahideen destroyed several mortar launchers, one anti-aircraft gun and three medium range guns in the fighting. Meanwhile, Mujahideen sources from Afghanistan reported that Kalyari outpost in Farah Province was attacked this week and the Mujahids destroyed two tanks and one vehicle while some 15 soldiers were killed. [Text] [Tehran KAYHAN INTERNATIONAL in English 17 Sep 85 p 1]

CSO: 4600/36

INDIA

## EXPORT OF RICE INSTEAD OF WHEAT SUGGESTED

Calcutta RAVIVAR in Hindi 25-31 Aug 85 pp 60-61

[Article by Bhanupratap Singh: "Export Rice Instead of Wheat"]

[Text] Whether India should export foodgrains is a much debated question. The government wants to reduce its foreign trade deficit by exporting surplus foodgrains, but the wisdom of exporting foodgrains is questioned since millions of Indian people never get a square meal. The fact that Indian wheat is more expensive than other countries' is also discussed. Who is going to solve these moral and economic problems?

Let us start with the moral question. Is it proper to export foodgrains when millions of our countrymen are hungry? There is another question related to this issue. Will those hungry people be fed if the government lets foodgrains rot in its storage silos? This hunger is the result of unemployment and poverty rather than a lack of foodgrains. Millions of people do not have any buying power. As long as they are unemployed, they will be hungry regardless of the huge coffers of foodgrains. This problem was solved by the Janata government by providing foodgrains to the unemployed and poor farmers. In 1979-81, the last year of the Janata government, 2.374 million tons of wheat was distributed to workers for working a total of 533.7 million workdays under this plan.

The succeeding government not only changed the name of this plan but also its format. The name now is "National Rural Employment Project" and the laborers are paid in cash rather than in foodgrains. As a result, provincial governments obtained more central government assistance by showing their regular plans under this project. They did not create any new jobs. Less foodgrains were distributed during the whole Sixth Five Year Plan than the last year of the Janata regime! There is no doubt that had they continued this "food for work" plan there would have been extensive developmental work and the government would not have this problem of accumulated wheat. Even now the best solution to this problem is giving foodgrains to the poor in exchange for work. To implement this plan, the government must have sympathy for the poor, and the finance ministers at the capital as well as in the provinces must provide about 10 billion rupees to implement the project. For the 1985-86 fiscal year, the central government has allotted 2.27 billion rupees for this project. Even with the addition of the provincial monies, this will create only 400 million workday

jobs. This is less than what was accomplished in the last year of the Janata regime (533.7 million workdays) and much less than the 1.2 billion workdays suggested by a rural development commission.

Now let us discuss the economic side of exporting foodgrains. It is said that it is not cost effective to export wheat. This is being advertised to imply that the Indian farmers are getting a good price for their produce. The dearth or cheapness of a commodity cannot be decided by comparing its price to international market rates. There are two reasons for this. First, we must compare the prices that a farmer gets for his produce to the prices he has to pay to buy the essential implements to grow his crops. If the Indian farmer has to pay a higher price for electricity, diesel fuel and agricultural implements, then he cannot grow wheat at international market rates. Second, we must consider the amount that the governments of other countries spent helping farmers grow wheat. Industrialized countries are preaching to developing countries to encourage free trade and at the same time are giving huge grants to their farmers in order to sell foodgrains at a cheaper rate. This makes it impossible for the developing countries to sell their foodgrains in international markets. The developing countries would be bankrupt in no time should they accept the closed door policy (by providing agricultural grants) for exporting their foodgrains and open door policy for importing industrial goods. The United States of America is the largest exporter of foodgrains in the world. How much help the United States provides its farmer is evident from the graph on the next page [not reproduced]. This graph is based on statistics published in NEWSWEEK, a prominent U.S. magazine.

According to this graph, U.S. farmers received \$22 billion from the sale of foodgrains and \$21 billion from the government in farm aid. Perhaps only selected farm produce is eligible for this aid. Still, it is possible that when an American farmer receives 140 rupees for a quintal of wheat he also receives 133 rupees in farm aid. This 140-rupee rate is lower than the 157 rupees that an Indian farmer gets for a quintal of wheat. However, when the aid money is added, the U.S. farmer gets a lot more money than an Indian farmer. Western European countries also subsidize their farmers generously. We are not citing these facts to support farm subsidies, but to prove that prices paid to subsidized farmers cannot be compared to what an Indian farmer receives for his wheat.

In this context, some thought must be given to selection of foodgrains for export. The price of basmati rice [an Indian variety] is almost ten times that of wheat in international markets. We can earn more foreign exchange by exporting rice. We will not have to touch the foodgrains reserved for eradicating hunger and poverty. The government has levied such strict measures for refining and transporting rice that farmers have no incentive to grow basmati rice. A few days ago, I wrote to the central and Uttar Pradesh (UP) agricultural ministers for details of the incentives that are given to farmers for growing and exporting basmati rice. The reply by the central government agriculture minister was encouraging. He said that any farmer can export basmati rice provided the price is not less than 6.50 rupees per kilogram. The UP agriculture

minister wrote that a farmer can produce up to two quintals per month and can mill up to 50 kilograms per day. Production or milling of rice for export over this limit will require a special license and payment of levied duties.

Interestingly, this tax is between 50 percent and 90 percent of the price of rice and the government pays only 25 percent of the market rate when it buys rice for export. In other words, the door that the central government has opened for exporting rice has been barred by unnecessary and archaic rules imposed by the provincial government. The above correspondence was limited to basmati rice which sells for 8 to 10 rupees a kilogram in India and between 20 and 25 rupees a kilogram in other countries. At this price basmati cannot be called a poor man's diet. The major purpose of foodgrains distribution was to provide food for the poor people. Basmati rice is not poor people's diet; therefore, its classification under the same foodgrains category is not appropriate. What happens is that the basmati rice received in various levies is distributed among the bureaucrats and some important people. Under the present system, the price per quintal for common rice is 137 rupees, 141 rupees for medium quality rice and 145 rupees for high grade rice. Thus, a farmer selling basmati rice cannot get over 145 rupees per quintal. Rice mill owners are aware of these restrictions on basmati rice by the provincial government and do not pay higher rates. Rice from the same paddy, when it reaches the market as basmati rice, is sold at from 8 to 10 rupees per kilogram in the open market, while the rice received in government levy is sold at between 2.5 and 3 rupees to special people. The paddy should be paid 5 to 6 rupees per kilogram if the rice produced from it is sold for from 8 to 10 rupees per kilogram. Actually, the farmers do not even get 2 rupees per kilogram. Growing basmati for selling at this rate is only half as profitable as growing any common rice variety. Government rules are restricting production of basmati rice, which could help us earn more foreign exchange. These government restrictions on growing and selling basmati rice are not only unfair to the farmers but also detrimental to our country's economy, since they restrict large scale production and export of basmati rice.

The price of rice has been controlled artificially in India. The average price for exported basmati rice in 1983-84 was 5.98 rupees, which is two to three times what is paid to Indian rice farmers. There are limitless possibilities for exporting rice. Under the present system only the businessmen and government agencies benefit and the farmers do not get even one cent. There is no room for increasing production and export of rice as long as these rules, made 15 or 20 years ago, are in effect. These rules were made when there was a great scarcity of foodgrains in our country and are obsolete now, especially when the government does not even have storage space for the surplus foodgrains. Can we hope that our government will change these unfair and unnecessary rules?

7997

CSO: 4624/21

IRAN

## MONTAZERI URGES MUSLIM UNITY

Tehran KEYHAN in Persian 29 Jul 85 p 22

/Text/ Following the recent statements of the grand Ayatollah Montazeri regarding the need for preventing and eliminating conflicts and differences among various groups of Afghanistan's Islamic Movement and the signing of the new agreement of unity by the majority of the struggling Muslim Afghan groups, a commission composed of responsible officials of the various factions of the Islamic Jihad Guardians, Nasr Organization, Islamic Movement, Unified Revolution Front and the Islamic Forces of Afghanistan was formed in order to follow up on the views presented by Ayatollah Montazeri. This meeting was conducted under the supervision of Ayatollah Montazeri's representative and as it stands now this commission through coordinated efforts with the Ministry of Foreign Affairs and other pertinent organs has achieved some progress in forging and realizing an Islamic unity among various Afghan Muslim organizations and groups.

Furthermore, in consideration of the above-stated goals the participants of the commission met with Ayatollah Montazeri and informed him of details of their efforts toward achieving complete unity and eliminating all the conflicts, and religious and group scuffles. Thereafter, the grand Ayatollah Montazeri while expressing his appreciation and praying for their success and the final victory of the Islamic movement in Afghanistan he said: Of course all the gentlemen present are well aware that all these efforts and struggles should be aimed at winning God's consent and realizing the genuine goals of the providence and not to satisfy one's own wish and whim. God forbid, if our struggle is aimed at driving out all the other groups and organizations from the scene and focuses on only one special interest group who should govern in Afghanistan, then we might as well not bother to continue our struggle. It would be much better if the gentlemen do not go through so much pain and trouble and do us and themselves a favor and stop a self-interest motivated struggle right now.

### Seeking Self-Interest is the Greatest Danger for an Islamic Movement

Ayatollah Montazeri went on to emphasize: The most dangerous thing for an Islamic movement is this kind of self-seeking interest where every single group wants to be the one to govern the rest instead of uniting with them. As our brothers are well aware, it is not possible in a movement for a single group to succeed single-handedly and be able to run the country after it attains a victory. At this point he cited the famous story about the man who told Imam Baqer (peace be upon him) that we judge all the other groups and strata of the society with our own plumb-bob and if we notice that one group deviates from our straight line

we simply banish them and in answer the Imam said: Such an act is not going to please God, then if you simply banish all such groups from participation--all those groups which need help and assistance--and those who intend to do a service, then where do you expect them to go! Further, the grand Ayatollah Montazeri stated: You gentlemen should not expect the degree of awareness, self-sacrifice and faith of all the individuals and groups to be equal. The only important thing here is that all the Muslim groups have but one goal and that is fighting and struggling blasphemy--that in itself would be enough. You should not allow that difference of taste and opinion to interfere with the unity of your words in action--that is exactly what the enemy wants to see. This is why the infidel enemy talks about differences among various Muslim groups and overstates and magnifies the differences of opinion among Muslims and disturbs an atmosphere of solidarity and brotherliness.

It is for this reason that the various Muslim Afghan groups, whether Shiite or Sunnite ought to be aware of the danger and mischief of the enemy and know that the key to the success and victory of the Islamic revolution in Iran was the unity of word among all the struggling groups and strata of society under the leadership of the imam of the nation. Right now, you dear gentlemen who have the support of the people should know that under the present sensitive circumstances of the Muslim nation and Islamic movement of Afghanistan, you ought to be quite aware of the enemies and not be deceived by their propaganda, allusions and hints or expressions which aim at nothing but creation of discord among all Muslim groups. All the various Muslim groups should try to cast off their religious and group differences and unite in one unified struggle which will please and satisfy God. The gentlemen should know that in order to be able to run a country they will need a tremendous amount of power, and if God willing the Islamic movement ever becomes victorious in Afghanistan there will be a need for a large force in order to govern the country and never think that any one group can by itself carry out the job.

#### Meeting of Various Personalities with Ayatollah Montazeri

According to the same report, Hojjat ol-Eslam Emami Kashani in his visit with Ayatollah Montazeri talked about the issues regarding the election of the president for the Islamic Republic with him.

Furthermore, in the past few days the Iranian ambassador to South Yemen also visited Ayatollah Montazeri and had a talk with him. In addition, our Kuwaiti brothers donated nearly 1,600,000 rials through the medium of one of the religious leaders of Tehran to the war relief fund; likewise, the people of Abadan donated one million rials and some gold and the war refugees of the same region donated 500,000 rials through the medium of Friday imam of their city; similarly some quantity of gold was donated by the people of Gorgan-Ashtian through the medium of their religious leader. Moreover, 500,000 rials were donated by the medium of the Friday prayer imam of the mosque of Fatemeh Zahra in Qom toward the relief fund of Islamic combatants and finally more than 3,000 Deutsche marks which were donated by the Iranian students in Europe for the relief fund of the imposed war and strengthening the struggle of the Afghanistan movement was presented to Ayatollah Montazeri.

IRAN

BARZANI PLEDGES TO CONTINUE FIGHTING UNTIL SADDAM'S DOWNFALL

Tehran ETTELA'AT in Persian 14 Sep 85 p 2

[Text] Urmia—Mas'ud Barzani, leader of the Kurds in opposition to Saddam's regime, said that realism does not allow him to discuss an independent Kordestan and Kurdish unity, because this matter is far removed from present conditions.

According to him, the Kurds in his command, who now cooperate with Iran, will fight until Saddam is overthrown and the people of Iraq are liberated, and although they are aware of the difficulty of war with the dictatorial Baghdad government, they are hopeful for victory.

Mas'ud Barzani, the 39-year-old son of Molla Mostafa Barzani, spoke Thursday with reporters from ISLAMIC REPUBLIC NEWS AGENCY, REUTER, (TANJUG) XINHUA, and a Spanish television crew at an Iranian military mountain outpost 20 kilometers inside Iraqi Kordestan. He added: His people, and almost all of the mountainous areas of norther Iraq, meaning about 2,000 villages, are active. Their guerilla activities have forced Iraq to assign six army brigades to defending installations and the Mowsul-Turkey oil pipelines in the area.

Barzani said: At the Ninth Congress of the Democratic Party of Kordestan, the question of creating a united Kordestan died, and the decision was made that Kurds will continue their lives in whatever country they are in under the conditions there.

He was asked by the correspondent from the ISLAMIC REPUBLIC NEWS AGENCY: According to this, do the Kurds in your command have no reason to fight with the Iraqi regime? He answered: We have no fight with the people of Iraq and the Arabs of this country. Our war is with Saddam's government. The decision at our congress is aimed at peaceful coexistence with the people in the nations where we live. In our view, the government is not the same as the people.

With regard to cooperation by Barzani's Kurds with the Islamic Republic of Iran, Mas'ud Barzani said: We supported Iran from the time the revolution triumphed. After Iraq's invasion of Iranian soil, we condemned Baghdad the first day and took steps to cooperate politically and militarily with Iran. Now, in the war with the Iraqi regime in this area, we are cooperating fully with the Iranian combatants.

In the recent Operation Qader, we attacked the Iraqi army using guerilla tactics, as in the past. Our operations are actually guerilla operations, and we dealt significant blows to Iraq.

He said: Our attacks are not systematic, and we are everywhere.

Concerning relations between Kurds and the Iraqi government, he said: On 11 March 1970, the Ba'thist government signed an agreement with us in a time of weakness. On the basis of that, Iraqi Kurds were to be given self-determination. After this agreement was reached, however, and Saddam became more powerful, he destroyed a great many villages of Iraqi Kordestan, and in subsequent years he completely violated the agreement.

Barzani said: We had a great many visits and talks with Saddam. When Saddam came to Ravanduz in 1970 and met with Molla Mostafa, he came because of political and military weakness and to sign any kind of paper with us. As he gradually gained power later, however, the issue took a different form. The Iraqi army attacked us. He was asked: Has the Iraqi government made efforts in recent years to come to an understanding with you? He answered: The last time Baghdad took steps in this direction was in 1982, but we have had bad experiences with them and their promises.

According to Mas'ud Barzani, he and his people have no relations with the disbanded Kurdish Democratic Party of Iran, led by Qasemlu. He said: We also have no relations or contacts with America, the Soviet Union, or any of the world's other superpowers. We are, however, in contact with Iraqi dissidents and Syria. Our relations are for contacting and establishing close relations with combative and progressive Arab movements. Damascus helps us and all Iraqi dissidents.

Concerning the results of the guerilla operations of his people, Barzani said: Our last important operation, which took place last week, was an assault on the staff headquarters of the 11th Iraqi army at Zakhu, which had significant results, destroying most of its installations.

Two weeks ago we also attacked the Bamarni airport near Dahuk, severely damaging the control tower. Actually, our people at Zakhu, Dahuk, 'Oqdeh, Solaimanieh, and all the northern mountains areas of Iraq are active. Six months ago we had complete control of an Iraqi city overnight.

Concerning the conditions of life for the Kurds of northern Iraq, he said: The residents of the destroyed villages of Iraqi Kordestan are now living as a group in the mountains. Another group is in Iraqi prisons, and a number of others are living as fugitives in Iran. He was unwilling to say where his family is living. However, he told correspondents that he is the father of five children, and that when Molla Mostafa died he was with him in America. He speaks Arabic, Kurdish, and Persian, and also has some command of English. Barzani, who was accompanied by two Kurdish military commanders and was wearing a sidearm, minutes later left the interview with correspondents, which was held at a bunker at a mountain outpost near the Iraqi village of Lulan, in order to consult and exchange views with Iranian military commanders in the area. He stressed that his people will continue to cooperate with Iranian forces until Saddam's overthrow.

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CSO: 4640/4

IRAN

ENERGY MINISTER VISITS FARAQAN DAM CONSTRUCTION SITE

Tehran BURS in Persian 23 Jul 85 p 2

/Text/ On his way to visit Faraqan dam Dr Qafuri-Fard, minister of energy arrived in Saveh and was welcomed by the responsible officials of the Central Province.

Thereafter, while he was accompanied by Khajeh-Piri, governor general of the Central Province and Karimian, governor of Saveh, the party visited Saveh's Faraqan dam. During this visit the minister of energy stated that the construction work of the dam has apparently made appreciable progress, however since this is the first dam being built after the advent of revolution, we should not be too negligent or evasive and procrastinate on its rapid construction. While criticizing the foreign contracting firm he added that if the construction process continues at the present pace, it will take 18 years to complete this dam, and if construction work does not make the necessary progress according to the time schedule set for the month of September, we will have to take legal measures against the contractor in question. Dr Qafuri-Fard, minister of energy, went on to add that a sum of 350 million rials budget has been set aside for securing the drinking water of Saveh and to this end it is planned to excavate three deep wells by the beginning of the next year in order to provide people of the region with potable water.

Thereafter, Khajeh-Piri, governor general of the Central Province, stated that 135 million tomans have been assigned for the water-related projects of the Central Province of which unfortunately a sum of 50 million tomans has been deducted by the Ministry of Plan and Budget without the existence of any legal provision and it has assigned the said amount to other provinces, as a result there will be some unnecessary or uncalled for delay in securing the drinking water of the cities of the Central Province.

12719  
CSO: 4640/708

IRAN

HEAVY INDUSTRY MINISTER DETAILS COUNTRY'S ECONOMIC PROBLEMS

Tehran KEYHAN in Persian 8 Sep 85 pp 22-23

[Interview with Engineer Behzad Nabavi by KEYHAN during Government Week; place not specified]

[Text] Economic Service—Engineer Behzad Nabavi, Minister of Heavy Industries, gave an interview to KEYHAN in which he discussed his views on the role of the government in the governmental system, government autocracy, shortages of laws, the danger of returning to the past, opinions which have been given on Articles 43 and 44 of the Constitution, the role of oil in developing the economy, issues surrounding foreign trade legislation, distribution, taxes, the nation, and other things. It must be explained that the following interview was held during Government Week, but publication was delayed due to the volume of other materials to be printed. The text of the interview is presented below with apologies.

Explaining the Government's Position

KEYHAN: How do you see the government's role and position in the nation's executive system?

Minister of Heavy Industries: Concerning the government's role in the Islamic republic, which is a theoretical question, there are various points of view. Some see no role for the government in the Islamic republic other than that of decision maker, or even if they do see a supervisory role for the government, it is a very mild one, but they say the government actually ought not to have a role in all of society's executive movements, and they do not believe in the control and creation of a powerful governmental organization in the sense envisioned by others. It is for the same reason that in expressing these ideas concerning executive affairs, they say that the government must even make policies concerning distribution, but that while it has no right to decide which goods are basic goods, it must make special regulations for their distribution. The government has no right to decide what society's needs are and to collect appropriate taxes beyond the levels of Islamic tithes and charity contributions from the people. The payment of Islamic tithes and charities is now voluntary, and it is therefore natural that the government cannot even collect taxes. The government does not even own the nation's oil wells, and naturally it does not own the foreign exchange they produce. This is one school of thought.

The reality is that the government is not the owner, but the custodian of the treasury. What was being discussed, meaning oil, is a part of the treasury, and the government is the custodian of the treasury.

In this regard, there are a number of others who wish greater discretion for the government. They believe that the government can collect taxes even as a first priority, even though some say that taxes are only a second priority, and that they can be collected at a particular time only as a second priority.

Some believe that such issues as this are governmental responsibilities and priorities, and that governmental orders are themselves a kind of top priority. Of course I myself am not competent to judge these things. Of course there are these two points of view. In any case, whatever point of view prevails in the Islamic republic, we must implement it, and at the present time the view which has been codified among all these ideas is in the Constitution of the Islamic Republic of Iran. What concerns us is the enforcement of this constitution.

#### Article 44 of the Constitution

**KEYHAN:** What is your view of the Iran Industrial Expansion and Preservation Act, and issues such as foreign trade, distribution, taxes, and the delayed implementation of Article 44 of the Constitution?

**Minister of Heavy Industries:** As an executive official and a minister on the Council of Ministers of the government of the Islamic republic, in answer to the previous question I said that there are two points of view concerning authority in an Islamic government. The crystallization of these two points of view and the results of that must be sought in the Constitution. The principle of the Constitution in this regard shows the role of the government and the role of the people in society.

It is natural that the Constitution cannot be implemented unless normal laws based on it are codified. Of course some articles are so clear that it may be possible to use them without writing laws. Our existing laws have generally been written on the basis of the previous constitution. Since the compilation of the new constitution, we have revised some laws periodically and on a case-by-case basis, instead of reviewing and writing all of the country's laws within the framework of the current constitution.

It is of course possible that many laws will retain their former state, but it is also possible that many of them will undergo basic changes. This is one of the important tasks whose preliminaries must be completed by the government. However, study, affirmation, and enactment are the responsibility of the Majlis. The government has perhaps been rather unsuccessful in this area, and the reason is very clear. The government must be motivated to work. When we have had a bill on foreign trade before the Majlis since the time of Martyr Raja'i, we have had a bill on distribution before the Majlis for two years, we have had a bill on the Islamic republic's five-year plan, which is the basis for every activity, before the Majlis for three years, and there has been no response, it is natural that the government's enthusiasm for such work has waned. This is not to say that the Majlis is falling short, but in any case, due to problems that are more or less affecting all of us, the bills on foreign trade, distribution, taxes, and other such things, some of which must be approved and enacted as law by the Majlis in the form of secondary regulations, have not yet left the Majlis or been communicated to us.

Naturally, we are beset by a shortage of laws. Of course, it may be that in many cases measures may be taken without feeling this shortage, but because of this shortage of laws, the government is always subject to accusations of being autocratic, of making the people government-oriented rather than making the government people-oriented. Since clear and explicit laws in this area

have not been enacted and communicated, the government must interpret the Constitution and what it can derive from the great theological edicts from the leadership of the revolution, and undertake a series of activities which are unwelcome to some.

There is much talk of affairs in the economic realm. I will now discuss the Constitution and the Imam's guidance bearing in mind that we have a series of income sources, and as an executive official responsible for managing certain affairs, as a member of the Islamic Republic Economic Council with joint responsibilities, and as a member of the Council of Ministers. What are these income sources? In Article 43 the Constitution tells us to avoid an autocratic government, and states clearly that the government must not be a great absolute dictator, and it also clearly says that wealth shall not be centralized and used within a single class.

As an executive official, I am between these two extremes. I cannot refute the demand that the government not become a great absolute dictator while accepting that there be no centralization of wealth, or vice-versa. Following this principle, and then what is derived from Article 44 of the Constitution which says that the major industries and foreign trade are important sectors of the national economy with strategic and political value which must be controlled by the government, and that the private and cooperative sectors must complement the government sector, based on Article 44's emphasis of the cooperative sector in connection with Article 43 which says that wealth shall not be centralized, and the cooperation anticipated in the Constitution, these are actually a justification for me as an executive official neither to create an autocratic state in society, nor to allow wealth to become centralized. Power must be distributed among the huge masses of people, and not become centralized in the hands of a small number of people. Based on these principles as I interpret them, I design policies and courses of action. In my belief, this interpretation is perfectly clear. Our constitution did not want us to create a capitalist society, nor did it want us to have a communist society in which the state is the owner of all the barber shops, produce stands, and ice cream shops.

Some people may not realize what will happen if we simply prohibit the existence of an autocratic state, but pay no heed to the centralization of wealth in the hands of one special group.

It would be well for these people to look at the world around them. It would be well if they look at what is happening in America. Of course some people say that America has kept a good economy for itself and given us a bad one. This is a point of view where they think for example that America's economy is an ideal one.

Some people are putting pressure on the government today, asking why it has become autocratic and why it doesn't put the affairs of the people in the hands of the people. First of all, who do they mean by "the people"? They always cite the Constitution, as well as the Imam's guidance last year to the Council of Ministers. As it happens, during Government Week the Imam did speak for a few minutes on this, saying that these barefoot people, these people of the alleys and bazaars, gave their blood, their lives, and everything they had in the revolution; let these people participate in affairs. He even stressed that not a single person from the leisure class had a part in the revolution; they were all from the oppressed and lower classes.

After laying much stress on this matter, the Imam said: Keep these people involved on the scene, in all areas, including commerce and industry. He stressed the areas of commerce and industry.

Very well. We have heard tens of other talks from His Holiness the Imam, and we know that he is explaining these very Articles 43 and 44 of the Constitution. That is, on the one hand he is warning us that we must turn affairs over to the people, and on the other hand he specifies

precisely the characteristics of the people who must be given control of affairs. Can anyone conclude from these comments of His Holiness the Imam that we must take the term "people" to mean 50 individuals? Does making the government people-oriented mean making it oriented towards 50 people? Or does it mean putting 36 million people on the Cabinet, as Martyr Raja'i said?

If we issued 17 billion tomans in agreements in principle in the years 1362 [21 Mar 1983 - 20 Mar 1984] and 1363 [21 Mar 1984 - 20 Mar 1985] to about 5,000 applicants, each of whom may have several partners, or perhaps to 15,000 people, is there a problem with this? Isn't this a populist measure? If we were to give 17 billion tomans to 500 people, 100 people, or 50 people, who would become big capitalists, would the government then be a populist government?

This is my interpretation of the Imam's comments. Therefore, the first question that must be asked of the critics is what do they mean by making the government people-oriented? With all of these merchants and odds-and-ends sellers in the country, how has the government harmed their interests? Where have goods been taken away from them? They are even given the goods that belong to the government to distribute.

One disadvantage may be caused by shortages, but what limitations has the government set for merchants, guilds, and tradesmen?

Who has been restricted? That importer whose imports are valued in the hundreds of millions of dollars. Now that there is a 50-toman difference between the government and free-market rates for dollars, is it in the interest of the nation and the revolution to place the nation's imports in the hands of a group of people who are licensed merchants? We have no more than 12,000 commercial licenses. This is the figure for 1362 [21 Mar 1983 - 20 Mar 1984], and I do not have a precise figure. The correct figure may now be between 14,000 and 15,000. Therefore, turning affairs over to the people does not mean that we should put foreign trade in the hands of a few importers who can sell a nine-toman dollar in foreign banks for 60 tomans, and then turn around and bring smuggled goods into the country. What restrictions has the government imposed on four million small businessmen? What barber shop have we nationalized? What ice cream stand have we nationalized? Even if there are a few items of merchandise under government control due to necessity, they are also distributed by those same small businessmen.

With regard to industry, how have we excluded the people from affairs? Look at the list of production units under the Ministry of Industries, which includes 600 to 700 units under government control and several thousand private units. These private units are the same heavy industries everyone thinks are state industries. Even some of the Majlis representative have the mistaken idea that all heavy industries must be state industries. Around 16.7 billion tomans in agreements in principle were issued in 1362 [21 Mar 1983 - 20 Mar 1984] and 1363 [21 Mar 1984 - 20 Mar 1985], and more than 13 billion tomans of that went to the private sector. Where does an autocratic state emerge from this activity? Of course, if you figure it, perhaps those one-hundred and some units under government control have greater investment and sales than the 500 units, and actually the aim of the laws in the Constitution was that the major part of the economy not be given to the private sector. The authors of the Constitution, all of whom were great theologians, specified in Articles 43 and 44 that the mother industries, the major industries, foreign trade, shipping, and the aviation industry must be under government control. These critics must answer the question, why has the Constitution opposed the centralization of wealth in the hands of one group? In defending the centralization of wealth in the hands of one group, these gentlemen say that His Holiness Solomon was also very rich. Their example is actually inappropriate. The relationship of Solomon's wealth must be recognized and how this example can

be cited. I will not go into a theological discussion. Purely in the executive realm, I say that these people must understand why the Constitution has dealt with this issue. Why don't they want this side of the law implemented? In commerce and industry, the government has acted in accordance with the Constitution and guidance from the Imam and it presents its work. We must heed all the Imam's guidance, as that of the chief theologian and the chief of the Islamic republic. We say, however, that the things His Holiness the Imam has asked us to do, and his views, which are precisely the same as the Constitution, we have done and are doing. If the critics want us to do more than this, that is if they want us to give the Iran Khodru factory to the people, meaning one individual or five people who have pooled some money, assuming that they are ready to pay cash for Iran Khodru with all its capital which is actually priceless, it will first be necessary to implement Article 49 to see where they got all this wealth.

How can these people have legally worked and accumulated so much wealth that they can buy a city or a factory?

Even assuming someone is found who has the money and wants to buy Iran Khodru, is it in the interest of the Islamic republic to sell it to him? Would it not be a violation of the Constitution if we gave this factory to such people? Iran Khodru is a company with annual sales of six billion dollars. Even if they are completely honest and trustworthy in their dealings, do not make profits on foreign exchange, cheat on their taxes, pay all their customs bills, and do all of these things, they would make a 10 percent profit, or 600 million tomans profit!

Can the Islamic republic permit one person, or four people, to make 600 million tomans profit in one year?

The critics do not realize that wealth brings power. Someone with 600 million tomans can buy and sell a minister like me, and make his own government and Majlis. This is exactly what has happened in America. If you believe that a good economy is one like America's, look at that side of the story. What would happen is that in ten years we would have a country where all the wealth is concentrated in one place.

If you remember, in the Heavy Industry Creation Law, much was said about heavy industries, and how industry would be left hanging in the air without the Ministry of Heavy Industries, and would be given to the private sector.

Why didn't they do this with mines and metals? Because the mines and metals units are not as appealing to those private individuals the critics are talking about. No one wants the iron foundries, and no one is coming to take the country's great mines, for which the government is paying subsidies in some cases. They want Iran Khodru, which makes 600 million tomans profit per year.

Then again, it doesn't matter if the government is autocratic in those areas. Where it is harmful, for example, is in those areas of foreign trade where the government may be subsidizing wheat imports. Those should be the government's responsibility, and the rest, those that show a profit and are not even subject to control, should go to those "people" the critics have in mind...

## Consumer Culture and Policies Implemented

KEYHAN: Apart from the fact that if the private sector were left to its own devices a powerful arrogant class would form, this policy has created and is creating a series of side effects in society against which there is no defense. Will this lead to the growth of corruption and a consumer culture?

Minister of Heavy Industries: Of course this is an issue which is not related to our primary concern. Assuming that the government is carrying out erroneous policies, it will not reject this general policy. That is, if the government has executive weaknesses and difficulties, anyone who considers himself stronger can come and go to work. Are we saying that if there are shortages on the market the solution is to create a strong private sector? Should we establish a handful of Rockefellers, Fords, and people like them in the country? Or should we bring them back until the problems are solved?

Very well, in the shah's time we didn't have any of the problems you have listed, so let's bring the shah back. Even assuming we cannot solve the problems with the government of the Islamic republic, the solution is not to return to a capitalist system.

To solve the problems you are discussing, Articles 43 and 44 of the Constitution must be implemented. Despite these, however, there are shortages in society and there is pressure on the people. We accept this. They say that these things are the result of the same ideas, viewpoints, and comments I have given.

What do these things have to do with shortages and these events? What does rationing have to do with these ideas of mine? Didn't they have rationing in Britain, Germany, and Russia in wartime? Both the East and the West had rationing. This is not a theological point. It is a matter of social priority and necessity. There is a shortage of goods and subsidies must be paid. Currency is limited and it is impossible to import in large quantities. Domestic production must also be protected, and therefore they say that goods must not be imported. In my view, many other things ought to be controlled as well. For example, we import 700,000 tons of rice annually and distribute it among the people. Because of this no one has the desire to seek out domestic rice, while if we were to apply pressure, we could distribute the abundant rice of the north among the people and we would not be under so much pressure from a small number of merchants. We would not give our domestic rice to them, and rice self-sufficiency would not be permanently relegated to oblivion.

In any case, however, what does the rationing of four items or shortages in society have to do with these general comments? According to statistics from the Central Bank, our total foreign exchange earnings for 1356 [21 Mar 1977 - 20 Mar 1978] was 29 billion dollars, and our total foreign exchange expenditures was 27 billion dollars. In 1363 [21 Mar 1984 - 20 Mar 1985] this income dropped to 15 billion dollars, while expenditures dropped from 26 or 27 billion dollars to 17 billion dollars, while the country's population went from 34 million people in 1356 [21 Mar 1977 - 20 Mar 1978] to 36 million people. Currently, coupon distribution statistics show that in view of world inflation on goods, the payment of 27 billion dollars in 1356 [21 Mar 1977 - 20 Mar 1978] with a population of 34 million has become the payment of 17 billion dollars with a population of 45 or 46 million, and this with international price increases. And you know that everything we have depends on imports, including our industry and food for the people.

Such figures might suggest a miracle performed by some powerful government. If we calculate this 17 billion dollars on a per capita basis, the figure for 1363 [21 Mar 1984 – 20 Mar 1985] is perhaps 30 to 40 percent of that for 1356 [21 Mar 1977 – 20 Mar 1978].

If we put this currency in hands of a few merchants, would they solve the country's problems and relieve shortages? Our highest payments were in 1362 [21 Mar 1983 – 20 Mar 1984], which was an exceptional year at 25 billion dollars. In 1361 [21 Mar 1982 – 20 Mar 1983] this figure was 20 billion dollars, in 1360 [21 Mar 1981 – 20 Mar 1982] it was 17 billion dollars, in 1359 [21 Mar 1980 – 20 Mar 1981] it was 20 billion dollars, and in 1358 [21 Mar 1979 – 20 Mar 1980] it was 18 billion dollars. This shows a decline in our foreign exchange payments resulting from the reduction of imported goods and raw materials.

Do the critics think the government wants to increase its own work, to do such things as ration one item, control prices on another, and reduce the availability of another specifically to annoy the people?

The same perspective applies to the Iran Industrial Expansion and Preservation Law. I have recently observed a movement with regard to this law, which, God willing, the Majlis will be alert enough to deal with. First, they are trying to remove Section A of the Preservation Law—Section A is the one dealing with the large mother industries.

Section B of the Preservation Law, which pertains to confiscating production units belonging to plunderers of the treasury and agents and affiliates of the former regime, is undergoing essential changes, turning into the former Section A, or the one dealing with the large and mother industries. With regard to Section J also, the idea has been proposed where the government should take something out of its pocket, apologize to the owners of industry, and give it back! Of course, God willing, the Majlis will deal with this alertly and solve the problem.

There are also problems with foreign trade, and this law, despite being approved once or twice, has not yet come out of the Majlis.

#### Relationship of Imported Goods with One Another

KEYHAN: In view of the volume of foreign exchange payments, hasn't there been an increase in the importation of consumer goods?

Minister of Heavy Industries: Of course society has become more consumption-oriented, but this is no criticism. What is being discussed is the consumption of basic goods in society.

At the present time no luxury goods are being imported by the government. These modern automobiles you see in the streets are not there because of the government. Some student graduating has been given permission to bring it home. Of course I am personally opposed to this, and I have said we ought to give them domestically-produced automobiles. Then six or seven years after the revolution we would no longer have the latest automobiles in the streets and the people would not be saying that the revolution is over and we are back where we started.

You are seeing a reduction in the proportion of capital goods because society was unstable and without plans due to the chaos of the beginning of the revolution, and basic work had not begun. Basic work was begun in 1362 [21 Mar 1983 – 20 Mar 1984], but then suddenly all the plans that had been made in this area fell apart with the onset of the imposed war, which brought with it 1,001 problems. Therefore, although the proportion of capital goods has dropped, first of all

there has been no corresponding increase in the proportion of consumer goods, which are at a level far lower than that prior to the revolution, and another point is that we must consider the composition of imports and what items the government is importing. For example, should it import meat, or wheat and other items for which we cannot achieve self-sufficiency with a five-year plan? This is a difficult task, but of course with the information I have given now, one can conclude that most of our consumer goods are things of this nature.

### Leap in Oil Prices

KEYHAN: How can our reliance on foreign exchange be reduced, in view of the reduction in oil exports?

Minister of Heavy Industries: Concerning OPEC and the two jumps in oil prices, I have my own idea. I do not believe that these two price increases were in our interest. Before these price increases our foreign exchange earnings from natural gas and oil was around 1.099 billion dollars, and our non-petroleum exports were 231 million dollars, at a combined total 1.330 billion dollars, as opposed to our imports of 1.7 billion dollars. A few juggling maneuvers were made in the shah's time in such a way that a series of dissident groups were given pause, asking how it could be that the shah was fighting with the oil companies to increase oil prices. In the two- or three-year period between 1349 [21 Mar 1970 - 20 Mar 1971] and 1352 [21 Mar 1973 - 20 Mar 1974], the price of oil suddenly made an extraordinary jump. The result was that in 1353 [21 Mar 1974 - 20 Mar 1975] 1.099 billion dollars in oil income became 18.6 billion dollars, and the country's imports suddenly jumped from 1.7 billion dollars to 10.644 billion dollars. Since it was the first year they could not compose themselves and create a domestic market for all that oil income. In subsequent years, meaning 1354 [21 Mar 1975 - 20 Mar 1976], 1355 [21 Mar 1976 - 20 Mar 1977], and 1356 [21 Mar 1977 - 20 Mar 1978], the country's non-weapons and munitions imports reached 16 billion dollars. In other words, imports increased 10-fold, and this astonishing increase in imports set the pattern of our consumption.

A country that didn't have a sigh to trade for a moan and produced nothing domestically changed its consumption pattern in the three years between 1353 [21 Mar 1974 - 20 Mar 1975] to 1356 [21 Mar 1977 - 20 Mar 1978] to that of the rich industrial and agricultural countries of Europe and even Japan.

They poured the best of everything into the country, although it is true that the middle classes and above could obtain these goods, but in any case they brought these things into society.

The plot was to impose a consumer pattern on us so that we would never again think of having an economy without oil, and they did damage to this idea for a long time. In the year 1329 [21 Mar 1950 - 20 Mar 1951] our country's total imports were 145 million dollars, our oil exports were 115 million dollars and non-petroleum exports were 62 million dollars. In other words, our non-petroleum exports were two-fifths of our imports.

Dr Mosaddeq, who proposed an economy without oil, cut that 145 million dollars in half. In 1331 [21 Mar 1952 - 20 Mar 1953] our imports were 72 million dollars, our oil exports were zero, and our non-petroleum exports were 60 million dollars.

In 1332 [21 Mar 1953 - 20 Mar 1954] non-petroleum exports were 78 million dollars, as opposed to 94 million dollars in exports. Therefore, at that time it was a simple matter to adopt a policy of an economy without oil and to give up 115 million dollars, but when we come to 1356 [21 Mar 1977 - 20 Mar 1978], it is not practical to give up 29 billion dollars in oil income and replace 524 million dollars in non-petroleum goods.

The second jump in oil prices occurred at the time of the triumph of the Islamic revolution. Following the same analysis, since they saw that we had decreased our oil exports and were keeping our reserves, if the price of oil were to remain stable after that, since at the beginning of the revolution we had the ability to conform to those conditions, meaning to suddenly cut foreign exchange to one-third at the beginning of the revolution, they said we must not allow it to be this way. Now that exports were down to two million barrels, let us triple the price of oil so they can continue what they are doing.

Of course I don't want to say that this was the only reason, but at least this was the outcome for us, and these issues were so tangible that today we are so dependent on oil that we cannot free ourselves in the short run. I have always said this, and I say as a principle that in order to cut dependence on oil more oil must be sold in the short run, if we want to stop relying on oil. Carpets, caraway seeds, and pistachios cannot supplant oil with society's present pattern of consumption. Yes, it was possible to do this in 1331 [21 Mar 1952 - 20 Mar 1953], but in 1364 [21 Mar 1985 - 20 Mar 1986] it is not.

Therefore, if we cut off oil exports, we must have agricultural or industrial exports instead. All the countries that do not export oil maintain themselves in this way except those with only one source of support such as Chile with its copper and Cuba with only sugar. Countries with sound economies export agricultural crops and industrial products. In order to export agricultural crops and industrial products, you must invest in order to have strong self-sufficient and quality agricultural and industrial production. Now how can we invest? Investment requires foreign exchange. With the scenario we have painted, how can foreign exchange be procured except through oil? Can it be obtained with carpets or pistachios? This is not possible. This is why we say that in order to cut dependence on oil we must export more oil in the short run, and there is no other way.

In the five-year plan which the government has submitted to the Majlis, it is anticipated that we will sell 24 billion dollars in oil annually. Now, whether the price is raised or decreased by the international conspiracy, we must get our own share on the international market, sell 24 billion dollars' worth at the best price possible on the oil market, and build our own foundation. If we do not do this, 10 years after the triumph of the revolution we will not have put one new stone on top of another.

9310

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IRAN

PAPER CLAIMS U.S.-IRAQI ALLIANCE AIMED AGAINST IRAN

Tehran TEHRAN TIMES in English 21 Sep 85 p 2

[Text]

**TEHRAN (IRNA)**— Relations between Iraq and the United States have entered a new stage after the new US ambassador to Baghdad handed his credentials to Saddam Hussein last Tuesday.

In reality, this relation had been going on discreetly since the 1979 Islamic Revolution in Iran, but due to Soviet support for Iraq, the Baghdad regime preferred not to disclose these ties.

On the other hand, American cooperation in some Iraqi industrial projects, and US military help as well as the hope to use Iraq as a strategic base after the fall of the deposed Shah, made Washington anxious that Iraq take a clear stance towards US interests.

Relations between the two countries were cut after the 1967 bloody purges of the right wing of the Baath Party. Iraq was pretending that the cut was because of its support for the Palestinian cause and its enmity with the Zionist regime.

Meanwhile, the anti-Zionist fronts, such as the Steadfastness Front, were formed with Iraq claiming leadership of the movements.

After the victory of the Islamic Revolution in Iran and the fall of the Shah as the US-supported gendarme of the region, ties between Iraq and the United States reached a new stage.

Washington led the Iraqis to believe that the post-war Iran was unable to maintain its sovereignty and that Iraq must make good use of the opportunity for its aggressive plans.

Today, the post-war events leave no doubt that the United States had assured Saddam of victory and had also given assurance of economic, military and political support to Iraq.

Although Washington kept its promise but the powerful waves of the Islamic Revolution surmounted the hurdle of war and thwarted the conspiracy of the international arrogance.

Relations between the United States and Iraq then surfaced in disguised form such as that of an American trade office in Baghdad, and an Iraqi head office in Washington, and later the creation of a US intelligence service in Baghdad.

Later, the United States said it no longer held Iraq to be a terrorist country and gradually Iraq turned into a friend of the United States.

The head of the US intelligence office in Baghdad later revealed that this service had been active in Iraq since 1976 when the Baghdad regime claimed to have been a supporter of anti-Zionist fronts and was on the US list of terrorists.

Later on, Iraq resumed its oil shipments to the United States, amounting to \$129.3 million in 1984, and imported agricultural products from the United States of an estimated value of \$530 million.

Washington believes Saddam to be a devoted supporter who would serve his American boss to the point of destroying his own country.

The Ba'athists who see their existence tied to the region's reactionaries such as Jordan's King Hussein or Morocco's King Hassan, and Egyptian President Mubarak, see no alternative but to serve the United States.

In reality, the United States is strengthening its anti-Islamic security belt by gradually eating up Iraq. But Saddam has not learned from the fate of his colleagues: the deposed Shah and Sadat.

Mr. Newton, who according to Iraq's state-owned radio, handed his credentials to Saddam on Tuesday, has been the head of the US interests section in Baghdad since last June.

CSO: 4600/30

IRAN

IRP ORGAN COMMENTS ON 'U.S.-STYLE NEUTRALITY'

Tehran JOMHURI-YE ESLAMI in Persian 18 Sep 85 p 11

[Text] Last Friday the Western Media announced that the Iraqi regime will soon obtain 45 military personnel-carrying helicopters from America.

These helicopters are the 214 ST Transport personnel carrier model made by the American Bell Helicopter-Textron company. They were built for an order from the condemned shah in the 70s. Their cost was paid to America, and they were to be delivered to Iran, but America is now delivering them to Iraq.

According to the WASHINGTON POST, the first helicopters of this type were delivered to the Iraqi regime last June, and it is expected that several more will be sent to Iraq by the end of 1985.

The American government, which continues to insist in its propaganda that it has a neutral policy in the imposed war, has announced that these helicopters, which were originally built as military personnel carriers for the condemned shah, have no military use, and that they are now being delivered to the Baghdad based on assurances Baghdad has given to Washington, in which Iraq promised not to use these helicopters for military purposes.

To put it more clearly, America has put its head in the sand and claimed that Iraq, based on its promises, will use these military helicopters for non-military purposes. That is, Iraq, which America hypocritically condemned in official fashion a few months ago because of the requirements of the time for using chemical weapons in the war against the Islamic Republic of Iran and for violating international laws and regulations, has now become so devoted and restrained that America can trust its word.

It is noteworthy that since the beginning of the war the West, especially America, while equipping and defending politically the Ba'thist regime with full vigor, has also maintained consistently in its propaganda that it is following a policy of neutrality in the imposed war.

In this regard, America has given the Iraqi regime military aid in the guise of agricultural and economic assistance, and this aid has been provided in special scheduled phases. In the beginning America helped Iraq indirectly by instigating and encouraging reactionary nations in the area. Anthony Carter, a high Pentagon official, admitted two years ago that all the arms aid for countries in the area was going to Iraq with American knowledge and agreement. In providing this aid, Washington plays an important role. America's indirect assistance and its encouragement of reactionary nations in the area to forestall the defeat of the Iraqi regime in the

imposed war and support Baghdad led to satisfaction in the Baghdad regime and a tendency to remove the Ba'hist anti-imperialist mask. This led to the public resumption of American-Iraqi relations after 17 years of secret relations and the raising of the flags of the two countries in Baghdad and Washington. In Mehr of 1363 [23 September – 22 October 1984] Saddam publicly announced his regime's agreement to close relations with America in an interview with the weekly publication AL-WATAN AL-ARABI. In this regard Saddam was not the only one expressing a desire for renewed relations with America. American officials also, who had created this process for the Iraqi regime, also publicly stressed the process of establishing political relations on the international political stage, while supporting the Baghdad regime. Following that, the American State Department, while replacing Iraq with Iran on its list of nations supporting terrorism, announced that America has no reason to withhold exports to Iraq, because Iraq no longer supports international terrorism. Of course it must be noted that America only directs the accusation of supporting terrorism at the world's revolutionary countries and serious opponents of America's imperialist policies. The above events gave America a free hand to provide direct assistance to the Iraqi regime, except that its aid was called agricultural and economic because of its declared policy of neutrality in the war. This aid, according to comments by American officials themselves and reports in the Western press, includes the granting of 460 million dollars in loans at very low interest, the sale of 60 helicopters for 450 million dollars which were supposedly to be used for agriculture (and this was even protested by four American senators), the sending of 12 American military experts and technicians to Baghdad to train Iraqi pilots, assistance with the completion of three oil pipelines passing through Turkey, Iraq, Jordan, and Saudi Arabia, as well as the sale of 24 other helicopters in the middle of this year, which was announced this year by Richard Murphy, a special State Department Consultant on the Middle East .

When the combatants of Islam were dealing blows to the Iraqi regime, American aid to Iraq went further, and while violating the most basic international humanitarian laws and values, America showed clearly its vengefulness towards the Islamic revolution. This situation was perfectly clear after the laudable victory by the anti-infidel forces of Islam in Operation Kheybar and the capture of the strategic Majnun islands, concurrent with the Iraqi regime's use of chemical weapons. Although in the beginning the West tried to maintain silence on Iraq's use of chemical weapons, persistence by the Islamic Republic of Iran in this area left the world no room for doubt, and the world acknowledged that Iraq had used these forbidden weapons and these inhumane measures in the war. America also, which could not keep silence on these events, at this special point in time and while it and its Western friends were being accused of equipping Iraq with chemical weapons, America condemned Iraq's use of chemical weapons while it was designing the Iraqi regime's claim to be seeking peace. Following the above events, American involvement in the delivery of chemical substances to Iraq for use in the war was clear, so that on 1/13/63 [2 April 1984] the BBC reported that a consignment of 74 barrels of potassium fluoride weighing 500 kilograms, which was scheduled to be flown from New York's Kennedy airport to Iraq, was discovered and detained.

Of course, without the Islamic republic's announcements and statements on the use of chemical weapons and the disclosure of the contents of this consignment, these basic substances for making chemical bombs would not have been stopped at that point.

In the month of Tir 1363 [22 June – 22 July 1984] it was disclosed that at least 2,000 kilograms of mustard gas were flown to Baghdad from an American airport in California after refueling at Tarkhun Spain. America, with its aid to the Baghdad regime, which has always been given along with claims to a policy of neutrality in the war, has on the one hand tried to suggest the necessity for its own military and spiritual presence and for it to play a basic role in the area, and on the other hand, while implementing a program to draw the reactionary nations close to its own

policies and Zionism to prevent the international growth of the Islamic movement, it has imagined that by strengthening the Baghdad regime it has erected a barrier against this imperialism-shattering phenomenon of the century.

The plots of the West, and especially America, in the seven years since the triumph of the Islamic revolution in Iran, whose peak was reached when Iraq was given the tools to impose war on Iran, have proven that this stupid policy has produced nothing other than a growth of the world Islamic movement under the influence of the Islamic revolution of Iran. Not only will its progress not be obstructed by American military aid to the Iraqi regime and by continuous imperialist plots, but these things will actually help the growth of the phenomenon of resistance against America's bullying and imperialism throughout the world.

9310

CSO: 4640/9

IRAN

TEHRAN DENIES ALLEGATIONS OF MILITARY COOPERATION WITH ISRAEL

London KEYHAN in Persian 26 Sep 85 pp 1, 14

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Two weeks after a DC-8 transport plane flying from Tabriz to Malaga Spain made a forced landing at Ben Gurion airport in Israel, it is still not clear whether this aircraft was carrying Israeli arms and military equipment to the Islamic republic or flying directly from America to the Islamic republic.

The DC-8 jet aircraft left the Tabriz airport in the early dawn on Sunday 15 September en route to Malaga. Radio officials at Ankara airport tracked this aircraft to the Antakieh region of Southern Turkey, but from this point on the aircraft deviated from its flight plan and flew south. After passing through Cypriot air space, it changed direction and flew east, landing at Ben Gurion airport.

An air traffic controller at Nikuzia was the first person to report this aircraft's change of course.

For two days Israeli officials were silent concerning this aircraft, which was said to belong to International Airways, an American freight company.

On Tuesday Morukhai Dibi, Chief of the Ben Gurion Airport, told the TIMES newspaper that this aircraft changed its course because of technical difficulties and problems with its computer guidance system, and that Israeli experts were then repairing it at Ben Gurion airport. On the same day the Israeli papers also published their first reports concerning the mysterious aircraft. The newspaper YEDI'OT AHARONOT wrote that the American aircraft was carrying damaged electronic equipment belonging to the Tabriz airport to Spain for repair.

It is worth saying that the Tabriz airport had been unable to receive aircraft since last April because of serious damage caused by Iraqi air attacks, and that normal flights between Tabriz and Tehran and vice-versa had resumed only five days before the DC-8 left this airport.

Following publication of the news of the landing of the DC-8 transport at Ben Gurion airport, Turkish officials announced that an hour prior to this aircraft's entry of Turkish air space, a Boeing 707 transport went from Tabriz to Malaga through Turkish air space. This was also affirmed by Spanish officials.

At the same time, the director of the International Airways company, which was said to be the owner of the aircraft, told reporters that a DC-8 and a Boeing aircraft belonging to this company had been sold a month earlier to the Nigerian Tourist Company. The publication of the name of the company owning the aircraft answered many questions concerning the mission of this aircraft.

The Nigerian Tourist Company, whose home offices are in Brussels and Zurich, is an international transport company whose directors are mostly Israeli citizens. In the last five years it has carried arms to the Islamic republic several times under contract with the Islamic regime. The Kuwaiti newspaper AL-RA'Y AL-'AM announced in an article on this subject that the landing of this aircraft shows Israel and America's secret collaboration with the Islamic republic.

#### Tehran's Denial

In Tehran the Joint Staff of the Army of the Islamic Republic issued a statement denying any kind of connection between Iran and the DC-8 aircraft.

This statement said: The Islamic republic has never had an aircraft of this type, and categorically denies any flight from Tabriz to Israel of such an aircraft, although it is likely that the aircraft being discussed flew through Iranian skies.

The Foreign Ministry issued a statement at a time when no source had reported anything on a DC-8 associated with the Islamic republic.

The ECONOMIST of London wrote: The question of an arms relationship between the Islamic republic and Israel is not a new one. In 1981 when an Argentine aircraft carrying Israeli arms to Iran crashed in Soviet Armanistan, the level of this relationship became known. In the last five years the Israelis have confirmed repeatedly that they are very happy about the continuation of the Iran-Iraq war, and that they will help perpetuate this war in any way they can. The ECONOMIST added: Despite American pressure on Israel to stop exporting arms to Iran, the hardliners in the government—the Likud—continue to believe that they must aid the Islamic regime.

Based on published reports in the regional press concerning the mission of the DC-8 aircraft, a merchandise company in London which is a procurer for all of the Islamic republic's military, economic, and petroleum installations, entered into negotiations with Israel to send experts to Iran to equip Iran's airports with radar and air defense equipment.

These experts went to Iran at the beginning of August and began working immediately at the airports in Tabriz, Esfahan, and Tehran.

The DC-8 aircraft that left Tabriz on Sunday 15 September, had reached Tabriz on 13 September carrying radio and control equipment for the Tabriz airport. Two days later this aircraft left the Tabriz airport with the damaged equipment which had been replaced with new equipment.

While denying any relationship between this aircraft and the American government, American sources also implicitly affirmed that the aircraft in question was being used in connection with Tehran-Tel Aviv arms cooperation.

The most important reason given for this aircraft's landing in Israel is the report published in the Israeli press.

According to these reports, when the pilot of the aircraft notified Israeli officials while in southern Turkey that he would have to land due to technical difficulties, he was ordered to change his course immediately and head for Israel. The Israelis were worried that this aircraft's landing in Turkey would result in Turkish and probably American officials becoming aware of the relationship between this aircraft and Israel.

Another report concerning this says that after a three-day stop in Israel this aircraft flew to Abijan in the Ivory Coast.

It is necessary to note that Abijan, Malaga, and Nikuzia are the three chief cities where Israeli freight bound for Iran is loaded and carried to Iran by Iranian or private aircraft.

With all this, many Western news circles believe that there is something very important behind the re-landing of the DC-8 aircraft at Ben Gurion airport, the disclosure of which is likely to cause a huge uproar. This uproar will undoubtedly be very costly to the claims of the Islamic regime concerning its enmity with America and Israel.

9310

CSO: 4640/3

IRAN

DEVELOPMENTS, 'NEW MILITARY TACTICS' IN GULF WAR DISCUSSED

Tehran JOMHURI-YE ESLAMI in Persian 19 Sep 85 p 12

[Text] The supervisor of the war propaganda staff gave a press conference with representation from foreign and domestic correspondents. He said:

The Iraqi regime is most likely informed of the Islamic Republic of Iran's defense capability, and it knows what kind of response it will get if it attacks.

He said: Without Iran, Iraq would certainly devour Kuwait on the basis of territorial claims it has pursued for years.

Dr Kharazi said: The imposed war is actually between the Islamic revolution and the the domestic and international counterrevolution. Our people have decided to stand until the end and teach aggression that no country in the world must ever think of invading another again. Concerning this week's plans, he said: This year War Week is concurrent with the first 10 days of Moharram [17 - 26 September], and Tasu'a [25 Sep] and Hoseyn's 'Ashura [26 Sep]. These days give our people the opportunity to become aware of the devotion and epic heroism of their children in continuing the joyous path of martyrdom.

The supervisor of the war propaganda staff said: The war is currently proceeding at the fronts in such a way that the people are carrying on with their lives as usual in the cities. Today our people have mobilized three million combatants at various levels, but if our Islamic revolution is endangered, every man, woman, old man, and and youth would go to the fronts. Today our war is a war of attrition to weaken the enemy.

In part of his speech he enumerated the victories of the soldiers of Islam in limited engagements last year against an enemy who was regularly receiving aid from East and West. He said: We do not authorize the export of arms and strategic goods to Iraq. He have consistently called upon the small governments of the area to distance themselves from this conflict and not to interfere in the war between the Islamic revolution and the counterrevolution.

Mr Kharazi was asked about the views of the Iranian press on Kuwait, and the influence of these views on decision-making officials of the Islamic Republic of Iran. He answered: The press of our country publishes the views of its writers. Based on the Constitution, the press is free.

Of course officials also have views which they have clearly expressed. They have said that if someone helps our enemy, gives him access to ports and roads, and participates in this war in some way, we cannot be friendly with such a country.

The supervisor of the war propaganda staff stressed: The Islamic Republic of Iran has no special program with respect to Kuwait. At the same time, as the greatest power in the Persian Gulf, it cannot remain silent while the enemy is strengthened through the gulf's waterways.

He continued: Our war is with people who have stood against our revolution. We have no quarrel with countries who are not fighting us. Our neighbors, however, are gradually perceiving this truth, and are gradually accepting our call for an enduring peace.

The supervisor of the war propaganda staff discussed some of the domestic events in Kuwait. He said: In recent months there have been bombings in Kuwait, or arms have been discovered in the countries of the Persian Gulf. These nations have now clearly perceived that the perpetrator of this chaos can be none other than the Ba'thist government of Iraq. Iraq's goals in doing these things are blackmail and creating an atmosphere of fear of the Islamic revolution of Iran among the people of the area. Today in private circles diplomats do not conceal their fear of the Iraqi regime. It is better if they strengthen their friendship with the Islamic Republic of Iran and let go of their ties with Iraq. He concluded: If Iran had not weakened the government ruling the Iraq, this regime would now be threatening all the people of the area. Without Iran, Iraq would easily occupy Kuwait with its territorial claims against it. The reason it has not done this is that it has been weakened by its conflict with Iran. Concerning the onset of the war and the people's role in managing and operating the fronts, Mr Kharazi said: The war was imposed on us when we had freed ourselves from the bonds of imperialism and wanted to build our society freely and independently, but at a time when we were faced with a domestic counterrevolution, the war was imposed on us by the counterrevolution as an external agent by the counterrevolution.

He also said: Our nation is an example of strength and resistance. Instead of wearing the people down, the prolongation of the war made the people more determined to fight to victory. A nation with no foreign aid to rely on has fought a war for five years against the most advanced weapons of the world. At the same time, at sea and on land we have superiority over the Ba'thist enemy, and the enemy is constantly receiving help from the superpowers. In the same regard, he stressed: The motivation of the Air Force in attacks of the last few days against the enemy's military and economic installations was striking.

The supervisor of the war propaganda staff discussed the enemy's propaganda. He said: The Ba'thist regime of Iraq makes strange claims. According to military communiqués from the Ba'thists themselves, in the course of the war this regime has claimed to have destroyed 1,214 of the Islamic Republic of Iran's aircraft, and 4,768 of its tanks.

Dr Kharazi was asked a question by a Japanese correspondent concerning the recent attack by the Islamic republic's air combat forces against Um al-Gharb. He answered: Um al-Gharb is an industrial area five kilometers to the west of Sulaymaniyah. Our war planes did not fly over the city of Sulaymaniyah. Rather, they attacked Um al-Gharb from the west of Sulaymaniyah, and returned safely to their bases after completing their mission.

Therefore, the attack on the industrial installations at Um al-Gharb had no relationship with the attack on Sulaymaniyah. The fact that Iraq has taken the attack on Sulaymaniyah as a pretext for propaganda could be because the Ba'thist regime would be able in so doing to use this as a pretext for attacking residential and non-military areas.

The supervisor of the war propaganda staff then discussed the rumor of a possible resumption of the war in the cities. He said: Some rumors in wartime are psychological warfare tactics, which the enemy uses to cause psychological weakening. It is not unlikely that Iraq wants to resume attacks on residential areas, but Iraq knows that we will respond to these attacks, and Iraq knows the resources the Islamic Republic of Iran has available for responding. The Iraqi regime also knows that more pressure on our people will lead to greater resistance, and we saw a manifestation of this resistance on Jerusalem day.

Concerning the establishment of a truce at the present time and the consequences of that, he said: A truce would lead to the warehousing of the implements of war, and we are not interested in such a peace.

We do not want the Islamic Republic of Iran and other countries to become arsenals for the superpowers, while the war remains a smoldering fire that could be re-ignited at any time. An enduring peace will come about when the aggressor is punished.

In another part of this talk, Dr Kharazi answered a question concerning the attack of the Khark oil terminal. He said: Iraq has been accumulating the resources to attack Khark throughout the war by buying Exocet missiles, renting Super Entendard aircraft, and buying Mirage 2000 aircraft. As soon as Iraq obtained these weapons Iraq began its attack on Khark. These attacks are constant, but they have not been successful.

The West's announcement that Iraq has done this on America's authorization is itself a form of propaganda warfare. The West wants to claim that it can persuade Iraq to do big things, but it has been proven that Iraq never diverts its resources to attack Iran, and Iraq actually has not been able to employ its talent in the best way against Iran.

9310

CSO: 4640/10

IRAN

# NAVY CHIEF DISCUSSES INSPECTION OF FOREIGN VESSELS

Tehran ETTELA'AT in Persian 8 Sep 85 p 2

[Interview with Captain Malekzadegan; place not specified]

[Text] Diplomatic Service--Captain Malekzadegan, Commander of Islamic Republic of Iran's Naval Forces, in a special interview with Ettela'at this morning warned shipping companies and circles on carrying suspicious goods and military cargo destined for Iraq, while making certain statements concerning the arrest of the Kuwaiti vessel, al-Watiah.

Referring to the reasons for the arrest of the Kuwaiti vessel, Captain Malekzadegan said: Last Wednesday, the Kuwaiti ship, al-Watiah, was detained and inspected by the Navy's alert personnel. After inspection, it was ascertained that the vessel was carrying military cargo for Iraq. Consequently, the ship was guided to one of the proper places where the Naval Forces' personnel began unloading its military cargo. So far, a large amount of these goods have been unloaded. I think this ship's cargo exceeded 40 tons.

The Navy Chief added: Given the enemy's recent actions in the Persian Gulf, the alert personnel of the Naval Forces inspect practically all of the vessels entering the Persian Gulf and ascertain the characteristics of most of them. In these cases, in order to escape inspection by the Iranian Forces, some of the ships carrying suspicious cargos enter the territorial waters of the region's other countries and since the Iranian Navy, respecting the sanctity of the maritime borders of the region's countries, does not enter these waters, these vessels reach their ports of destiny in this way.

He added: It is our undeniable legal right to stop and inspect vessels that carry war cargos for our enemy. We warn the states of the region that if they continue their policy of giving shelter to vessels carrying suspicious cargos, we shall be forced to take stronger measures against them and execute the plans we have in respect of this situation.

Referring to the enemy propaganda about attacks on Khark Island, he said: Since the beginning of the war the Iraqi regime has resorted to this kind of propaganda many times. The propaganda, however, has nothing to do with our ability to export oil from the Khark Island. Basically, the enemy's recent attacks lack any military value. We shall respond to the enemy in a strong and striking manner.

In the end, referring to the inspection of the British vessel, the Naval chief said: This English vessel was stopped Friday morning and was inspected by the Iranian naval personnel for six hours. After complete inspection, its personnel was thanked, the vessel was freed and put on its original course.

13024

CSO: 4640/744

IRAN

# OFFICIAL EXPLAINS MANNER OF PROBING CONSTRUCTION VIOLATIONS

Tehran KEYHAN in Persian 12 Aug 85 p 23

/Text/ Social Service - The method of investigating dossiers pertaining to building construction violations in the Retribution Courts and the new measures which have been adopted in order to expedite the investigation and shorten the waiting period for such investigations, also the lack of proper coordination between pertinent responsible municipal officials and the Retribution Courts together with the way district courts, municipalities and Retribution Courts prevent construction violations were discussed. Similarly, the method for a speedy investigation of the dossiers pertaining to construction violations were discussed in a special interview with Hojjat ol-Eslam Malek-Azhdar Sharifi, temporary supervisor of the Retribution Courts. He explained in detail the problems and difficulties faced by the Retribution Courts regarding construction violation cases.

First, as regards whether waiting period for such investigation has decreased or not, or as to the number of such courts in charge of pertinent investigation, Hojjat ol-Eslam Sharifi stated: About 85 Retribution Courts are presently engaged in investigating the more than 23,000 construction violation dossiers. These courts investigate such dossiers in the afternoons. He went on to add that in the past the waiting period for such investigation often reached one year.

However, at the present time this time period has been reduced to between three to four months, and only two of three branches of such courts have exceptionally extended their waiting period to January-February 1986. He added: As a result of the high volume of such dossiers in the past, some courts had to extend their waiting period; however, after proper statistical studies we've decided that if a Retribution Court has more than 500 dossiers it should return the extra dossiers to us so that we can send them to those courts which have less than 500 dossiers on hand. Therefore, as a result of this median of 500 dossiers for each court, we have been able to reduce the waiting time period. We hope that by the beginning of 1365 /21 March 1986 - 20 March 1987/ we will be able to shorten such periods to two months for all the courts. Here it ought to be noted that the cooperation of municipalities has a great bearing on the investigation period. For instance, we have one court which has forwarded 250 such dossiers to the municipality for proper completion of the required permit, however until now the municipality has not sent back those dossiers and at times even when they send back similar dossiers, they go about it through the wrong channels to do their business. Namely, instead of sending back those dossiers to the court in question,

they forward the same to the main office and the main office inadvertently sends those dossiers to another court. Then it takes that court a few months to figure out that those certain dossiers belong to another court and as a result such problems cause long delays for the applicants. Sharifi went on to add that at present there is an appreciable decrease in the number of such dossiers which pertain to construction violations. For example, during the current month there has been only 800 such dossiers which have been received by the Justice Department. As regards the lack of coordination between the officials of the municipality and those of the courts and the reason for such violations and how to deal with them, the temporary supervisor of the Retribution Courts stated: There are several varieties of construction violation dossiers of municipalities. One type of such violation consists of a situation where the official landowner has built a building without acquiring a proper permit or he might have acquired the relevant building permit but has violated the pertinent legal code one way or another. It is the duty of the Retribution Courts to investigate such problems in the afternoons and issue their relevant verdict. Fortunately, the Retribution Courts are not facing too many problems in this regard. However, the municipalities object to the decisions of these courts as too lenient. It is appropriate for the courts to be lenient in certain cases and there is no reason to do otherwise. What the municipalities can do in such cases is to express their objections to a certain verdict so that the dossier in question can be investigated by the prosecutor of verdict executions. In case that objection is deemed pertinent, the relevant verdict can be investigated by the State Supreme Court, which will issue the final decree. Sharifi also said that another type of dossier which is investigated by the courts pertains to the situation where some unauthorized real estate agencies have partitioned lands in the vicinity of Tehran and have sold the same unofficially or clandestinely. And even in certain cases they have pre-dated the land-sale agreement (deed) before 1358 /21 March 1979 - 20 March 1980/ so as to make them eligible for the imam's amnesty pertaining to that period. It should be explained here that during the period in question according to a decree by the imam, all the legal offenders and even those individuals who were under prosecution were given amnesty.

He went on to add: Whenever somebody builds something on such lands, the municipality will take action and drag the violators to court; however, taking into consideration the date of the agreement (which is before the date of amnesty) both from a penal code and retribution point of view, the courts will issue a prohibition verdict. Thereafter, since the investigation of such matters falls within the jurisdiction of the Retribution Court, these dossiers, which number more than 2,000, are forwarded to our Retribution Courts and in turn these courts send them to the municipality in order to have them affix the proper violation forms. Since the violation forms in municipality dossiers are similar to the indictments of the general district courts and each court has to deal within the framework of such violation forms with each case accordingly, then the municipality writes back that since the person in question who has committed a construction violation is not the legally registered owner of the piece of land in question, therefore the municipality cannot issue or affix such forms as requested.

Of course, legally speaking, the municipality is right and what results is that they send us back the dossier without affixing the violation form. Thus, this single dossier joins hundreds of other similar dossiers in the Justice Department. Sharifi added that part of the confusion and cause for accumulation of these dossiers can be attributed to the negligence of some of the municipality officials who have not been very diligent in carrying out the law, a law which has no room for doubt or ambiguity. The responsible municipal officials can very definitely prevent any and all unauthorized or inadmissible construction. He also added: It is obvious that nobody builds in the boondocks so that no municipal official can see. What is evident is that municipal officials can very comfortably control the construction of any building and accordingly present their report. On the other hand, when a violator's dossier is referred to the district court, the court in question can follow up on the matter and find the principal culprit and return the land to the government domain. However, such matters are not handled very seriously by the district courts and as a result many dossiers remain inactive. Of course, when and where a district court is faced with a prohibition verdict, it is the duty of the Urban Land Organization and the Municipality to present a legal petition to the legal courts of law and ask for the ouster or dispossession of a claimant owner. He went on to say that it would be a good idea to reveal the identity of those unauthorized real estate agencies or those authorized agencies which illegally sell land and close down their business.

He also emphasized that as far as prevention of construction violation is concerned, there are enough laws without ambiguity, it only depends on the pertinent responsible authorities to carry out the law. If our executive organizations and public courts, which are but a judicial-political entity could through harmonious cooperation with other executive organs give them proper legal guidance, and adapt a correct and logical policy, thereafter there would be less chance for violations and it would appreciably result in the reduction of the work load of our courts. Furthermore, he said that these 2,000 dossiers, which remain inactive as a burden on the courts' shoulder, can be compared to a cancerous patient whom his doctor does not know what to do with. We hope that in the future certain proper decisions are made accordingly. In conclusion, he stated that in the meeting at the Police Academy, which was held to investigate construction violations, the mass media cited my title as the supervisor of the courts. Hereby, I would like to announce that my proper title is "temporary supervisor of the Retribution Courts."

12719

CSO: 4640/713

IRAN

ARDABIL CEMENT FACTORY BECOMES OPERATIONAL

Tehran BURS in Persian 24 Jul 85 pp 1-2

/Text/ Following the execution of barter transactions between Iran and Turkey until now up to 300,000 tons of fuel oil from Tabriz Refinery have been transported to Turkey. The revenue from the sale of this product amounted to \$40 million. Furthermore, a similar contract has been signed between the two countries for the sale of more than 300,000 tons of the same type of fuel oil which will be delivered to Turkey during the current year.

While making the above statement, the governor general of East Azarbaijan in an interview with the correspondent of the ISLAMIC NEWS AGENCY also stated that in line with the same policy of cooperation between the two countries, the construction work on the cement factory of Ardabil with a capacity of 2,000 ton which can be raised to 4,000 ton in the future has also started by a Turkish contractor. As regards the above-stated project a sum of \$10 million has been paid as advance payment to the said contractor. He went on to add that this is the only project where at the time of its initiation close to one half of its total needed foreign exchange had been secured. With due consideration to the particular industrial and agricultural situation of this province, the governor general emphasized the need for barter trade with friendly neighboring countries. He also added that for the purpose of securing the necessary goods and coordinating the export process in this province, a special headquarters has been created in the offices of the governor general and until now this headquarters has reached some favorable solutions in the area of barter transactions. If we can win the approval of the government in this regard, the province of East Azarbaijan can undoubtedly become very active in the barter trade business.

Thereafter, the governor general of East Azarbaijan pointed to the need for the creation of housing corporations in Tabriz and throughout the province and added that in addition to the project for construction of 5,000 dwelling units in Baghmishéh (Tabriz), which is going to start in the near future, by the financing bank in question, the home-building factory of Tabriz Municipality has also begun studying the construction of 6,000 dwelling units of which the first 320 units will be completed in the current year. As regards the 16th amendment of the budget law of 1364 /21 March 1985 - 20 March 1986/ he mentioned that the credit appropriations pertaining to this particular amendment for East Azarbaijan Province amounted to seven billion rials and added that in order to carry into action the contents of the A-section of the said amendment during the current year, with the

help and cooperation of the general public, 230 instruction units have been created in various villages of the province. Furthermore, it is intended that the water and power distribution projects of some villages will be completed in the near future. Similarly, while using the provisions of the B-section of the said amendment regarding development projects--those professional individuals who have announced their readiness can begin to carry out these projects accordingly.

12719

CSO: 4640/708

IRAN

"PREEMPTIVE STRIKE" SUGGESTED AGAINST KUWAIT'S POLICIES

Tehran ETTELA'AT in Persian 3 Sep 85 pp 1, 19

[Article by 'A Marvi]

[Text] The Kuwaiti government's first reaction to the objections raised by the Iranian press to Kuwait's insulting and hostile policies concerning bilateral and regional relations was received this last Saturday, after the Kuwaiti Minister of Foreign Affairs' interview.

The Iranian press objections to the Kuwaiti policy revolve around such matters as Kuwait's arrogant financial and procurement support of Iraq in its war against Iran, Kuwait's propaganda as well as logistical support of terrorist groups using Kuwaiti bridgehead, unreasonable and insulting deportation of employed Iranian workers from Kuwait, and...

These matters have deeply affected the bilateral relations and from the standpoint of our people's public opinion (of which newspapers are an indicator) can no longer be tolerated. Let us state right here and now that the recent press objections to the Kuwaiti government's unfit behavior, which reached their zenith with the ETTELA'AT first-page editorial last week (which was also carried by AGENCE FRANCE-PRESS), was not addressed to the Kuwaiti Court? Quite obviously the objection was directed to those responsible for Iran's foreign policy who have allowed "the little court of Kuwait's moribund Shaykh" to dare take such belligerent measures. Members of the Iranian press have known for some time now that the policy of "patience, wait, and forget" regarding Kuwait does not deflect that country from playacting on the "Ba'th's worn out rope." For this very reason, they now consider their respondent to be not the tribal government of the oil Shaykhs in Kuwait, but rather the Government of the Islamic Republic of Iran.

At any rate, it is rather interesting, for example, that AL-RA'Y AL-AMM (a newspaper close to Kuwaiti government) has declared in its Saturday issue that Kuwait is not afraid of what that newspaper calls "Iran's declaration of war," and which, in the opinion of that newspaper, "is nothing but a show of force." The paper adds: "Kuwait is not alone in supporting Iraq; all free Arabs are in Iraq's trenches." This is in circumstances where from the very beginning of the forced war Kuwait has stood in the war front against Iran, taking open positions in support of Iraq; only, it has not yet officially declared it.

At any rate, in the Saturday press conference Sabah al-Ahmad al-Sabah, Kuwait's Minister of Foreign Affairs, while rejecting what he called "accusations" against Kuwait reflected in the Iranian media, nevertheless admitted that Kuwait has placed an undisclosed amount of financial aid at the disposal of the Iraqi government. He added: "These aids are not secret and are known to everyone." Describing the Iranian views as "threats," he said he was hopeful that "war of words against Kuwait" may end. He also asked the Iranian government to use official channels to inform the Kuwaiti government of Iran's "possible displeasure." He added that he hopes the situation will not reach a point where Kuwait is forced to enter the war. But if it is forced into that situation, then Kuwait will inevitably fight! In this same interview Sabah al-Ahmad al-Sabah, pointing to the recent meeting of the foreign ministers of Iran, Libya and Syria in Damascus, said: "Unfortunately we are witnessing the formation of an axis outside of the Arab Union. It will result only in the further breakdown of the Arab unity and further divisiveness and factionalism within it."

Our purpose here is not to analyze or comment on the strange discourse of the foreign minister to the Sabah family. We assume that that country is conscious of the depth of the "burning hatred" of the Iranian people for those who may vainly intend on knavery against Iran's Islamic revolution. The target of this writing is the Iranian government and the makers of the country's Middle Eastern policy.

The essential question is this: Why haven't the Iranian functionaries responsible for foreign policy taken any effective, striking, and palpable measures against the Kuwaiti policies? For example, why has there been no serious action with respect to Iranian nationals in Kuwait who have had a significant share in helping the Kuwaiti economy, but who now are being ignominiously expelled solely for political-social reasons? Clearly, every country has the right to protect its citizens politically and militarily, regardless of which part of the world they live in, and must insist on this right and its execution, both of which are accepted in international law.

In our opinion the time has come for the Iranian government to take advantage of its "right to the military-political protection of its citizens" against Kuwait's ceaseless aggression, and execute it with full force. In the meantime, the government can take necessary and proper international legal and juridical measures in order to secure compensation for the extreme civic damages to the Iranian workers resulting from their unreasonable and mindless deportation from Kuwait. And now another example?

In not too distant a past we witnessed how the Iraqi Ba'Ath, using the attempt on the life of the Emir of Kuwait as an excuse, and posing as "vicar" for that country, began its attack on the populated areas of our nation. Why did the ministry of foreign affairs not then formally ask the Kuwaiti government to clarify its position concerning Iraq's claim to act as the "vicar" of the tribe of Sabah. If their answer was positive, this would have been like an "open declaration of war," and if negative, the Ba'Ath propaganda weapon would have lost its function.

Once and for all, while reaffirming Iran's principled policy of continuing bilateral relations and maintaining the security of the region, rejecting any terrorist act, affirming the principle of mutual non-interference in the internal affairs of the neighboring countries, and the formal recognition of Iran's national interests in the Persian Gulf, it must be forthrightly declared that our neighbors' aggressive policies will be answered by legitimate preventive measures of all types imaginable. This policy will not be a "tit for tat" policy, which is basically reactive. Neither is what we propose a policy of "vengeance." Our proposal is called the policy of "preemptive strike." In this region everyone knows well that the Islamic Republic of Iran is capable of delivering strikes, of all kinds imaginable, in depth and with resolution, to the body of the aggressors against the Islamic revolution. These strikes will be such that they will cause the Sabah family and its ugly allied quintuplet to return to the age of picking and trading contraband pearls. Aye, he who rises to fight must pay heavily. The payment should be collected in formal ways by using formal means of power, albeit in magnanimity, but with speed and dispatch.

13024  
CSO: 4640/743

IRAN

# CONDITIONS FOR ISSUING CONSTRUCTION PERMITS ANNOUNCED

Tehran KEYHAN in Persian 1 Aug 85 p 18

/Text/ The regulations regarding construction of housing units with up to a maximum of 250 square meters became nullified and as of this date the dossiers pertaining to plots of land with an area of less than 3,000 square meters will not be referred to the commission in charge of implementing article 12 which concerns barren lands. Furthermore, with the close cooperation of the Ministry of Commerce and the Plan and Budget Organization those applicants who plan to build a house with a minimum of 30 feet of exposed main outside wall width will have the option of choosing at their own will either a steel skeleton framing or reinforced concrete.

In a press, radio and television interview while he was making the above statement, Dr Shirazyun, technical deputy director of Urban Development Department of Tehran Municipality also said that from now on all minor construction-related violations will be settled in the 20 branch offices of the Municipality instead of referring them to judicial centers. To this end, minor construction violations will be settled in one of the 20 abovementioned branch offices which will be located throughout the city at an appraised amount equivalent to 20 percent the value of land covered by the building in question--if the total of such area covered by the building in question does not exceed 60 meters (120 plus feet).

The technical deputy director of Urban Development also added: In the very near future an information office will be created in all the areas within the jurisdiction of the Municipality to provide the applicants with all the necessary information regarding the method of procuring a building permit and other relevant matters. As regards the waiting period for procuring a building permit he said: It will take only 15 days for an applicant to receive his building permit, counting from the first day of application. However, under certain circumstances and considering the legal domain of some of the organizations which have to be duly followed by the Municipality, certain situations arise which eventually will lengthen this waiting period. In such relevant cases if the area of the plot of land in question exceeds 3,000 square meters the applicant has to be referred to the commission in charge of implementation of article 12; furthermore, the Urban Land Organization has to confirm that the said plot is barren or desolate.

Dr Shirazyun went on to add that at the present time, there are between 7,000 to 8,000 dossiers with one type or another construction violation in the Second Re-tribution Court which are all being investigated by the judicial officials with full speed and capacity.

As regards the building density throughout the city he said: Based on the new decisions, the maximum building density below the axis of Enqelab Avenue is 120 percent of total land plot covered by the building, the building density above the axis of Enqelab Avenue is 180 percent of total land plot covered by the building and in the regions outside the boundary of 25 year legal limit, 120 percent for the coverage of new buildings has been added. As to the reason why the building density in the southern area of Tehran is lower than that of the northern area of the city, the saturation of the land area can be cited as the main reason. For instance, in the southern area of the city the ratio of population to every hectare of land is between 700 to 750 people while according to international standards this figure ought to stand at 150 to 250 persons per hectare.

In conclusion, regarding the responsibility of supervising engineers, the technical deputy director of Urban Development stated: In the past, each building engineer could sign up to 100 inspection and supervision forms for new buildings each month and this matter was more or less ceremonial and was not without its financial and life-threatening dangers and hazards. In consideration of the above-stated fact at present each supervising building engineer is allowed to sign only up to 15 inspection and supervision forms for new buildings each month, and furthermore he will be held responsible for any building code violations or any other probable damages.

12719

CSO: 4640/702

IRAN

# DISCIPLINARY MEASURES TAKEN AGAINST CONSTRUCTION WITHOUT PERMIT

Tehran KEYHAN in Persian 3 Aug 85 p 2

/Text/ Disciplinary forces of Komiteh and gendarmerie together with municipality officials will take appropriate measures against construction without permit and forcible detaining of other people's land and government property within or outside the boundaries of the city of Tehran and other cities of the province.

On Thursday at a seminar which was held in the Police Academy and was attended by the governor-general and responsible judicial and executive officials of Tehran Province, the appropriate procedures against construction without permit and forcible detaining of people or government's land was discussed.

As reported by our correspondent, the governor-general of Tehran made statements regarding the harmonious cooperation and coordination by the responsible officials for the goals of this meeting and asked the judicial and executive officials to present their specific organizations' problems that pertain to the issue of construction violation and forcible detaining of property so that proper decisions concerning elimination of the problems and better coordination of various organs could be made by future relevant commissions.

According to this report, after the speech by the governor-general of Tehran, Hojjat ol-Eslam Sharifi, supervisor of the general courts of Tehran stated: The law regarding the prevention of construction violations and forcible detaining of non-governmental land within and outside the boundaries of Tehran is quite adequate and complete. However, if there is a problem it is certainly the method of executing the law, which pertains to the municipalities which should be more definite and serious with the violators before any inadmissible construction work has even started. If such preventive measures are taken then there is no need to take any action according to the law and no need to tear down a completed or semi-completed building and as a result of such actions there is no need to go through the process of preparing special dossiers for these types of violations and it would save the justice department a lot of trouble and time.

Thereafter, as reported by our correspondent, Hojjat ol-Eslam Salehi Khonsari, commander of the Islamic Revolution Komitehs of Tehran Province in a speech while emphasizing the clarity and explicitness of the law as regards the punishment of violators of unauthorized construction he stated: The only way to prevent construction violation is through a decisive encounter with the violators before the

commitment of such violations. To this end, we have assigned 100 individuals from the Komiteh and 100 persons from gendarmerie. As soon as all the pertinent accommodations are in place these individuals will be patrolling all the bordering regions of Tehran, on a 24-hour basis, particularly those areas where more violations are committed and thus they will not allow any such transgressions to take place.

12719

CSO: 4640/702

IRAN

'NATIONALISM', 'ISLAM' CREATE UPROAR AT LONDON SEMINAR

[London KEYHAN in Persian 29 Aug 85 p 16

[Text] According to the invitation of the Islamic institute, established with the capital and support of the Islamic Republic, a seminar was held in London a few days ago entitled 'International Seminar for the Study of Nationalism in Islam.' In addition to ayatollahs and hojjat ol-eslam, clergy of different nationalities connected to the Islamic Republic attended this seminar.

As usual, the president of the seminar was Kalim Sadiqi, a Pakistani teacher who has been given the title of professor by Ayatollah Khomeyni. The interesting point is that in order to emphasize the importance of the seminar, Professor Sadiqi brought all his relatives, friends and acquaintances in the name of the Spiritual Society of Pakistan to the seminar auditorium. As always, the Islamic Republic's purpose for arranging the seminar was to use an international tribune to publicize its intentions and goals. But the discussion changed course in such a way that it caused anxiety for the Islamic Republic representatives and according to some reports, leaders of the seminar such as Ayatollah Sobhani (head of the Islamic Republic mission) angrily left the meeting on the second day and only returned to the seminar auditorium after the repeated requests of Kalim Sadiqi.

According to a behind-the-scene reporter who was present at the three day seminar, the seminar was the scene of an exercise in power which ended with the defeat of the Islamic Republic. The well known participants of the seminar included Sheykh Ja'far Sobhani, Shaykh Muhammad Al-'Asi, the Iraqi clergy, related to the Islamic regime, and the imam of the Chicago mosque, Shaykh Muhammad Nasiri representative of the al-Da'wah Party, Sayyid Mahdi Hakim brother of Ayatollah Baqir Hakim (speaker of the supreme assembly of the Islamic revolution of Iraq) and Mrs Safinaz Kazim, an Egyptian writer (who was a member of the Ba'th Party of Iraq 3 years ago and the story of her affair with one of the Iraqi leaders was heard among people of all classes, but entering her fifties 3 years ago, she had the honor to visit Ayatollah Khomeyni, became a serious Muslim and started to wear a veil).

In the course of the seminar, Ayatollah Sobhani severely attacked nationalism and called it equal to blasphemy, non-orthodox and anti-Islamic. He stated: "The Islamic Republic will stubbornly campaign against Iranian, Arab, Pakistani, and Malaysian nationalism and intends to replace national identity with Islamic identity."

A group of Pakistani's protested this part of the Ayatollah's representative speech and stated: "Although we are Muslim we are also proud of our nationality." This protest broke the silence of some of the Arab clergy, among them Ahaykh 'Amili (Lebanese) and he furiously stated: "I am Lebanese and Arab first, then a Muslim." Another clergy from Afghanistan said: "If the Islamic Republic is seeking Islamic unity, why does its constitution call Shi'ism the official religion of the country instead of just stating Islam?"

The representative of the Islamic Republic answered angrily: "Do you want us for example to have the same religion as the heathen Saudi Wahhabis?" Sobhani's statement exploded like a bomb in the auditorium and created an uproar. The angry shouts of Sunni clerics could not be interrupted and it took some time until Kalim Sadiqi was able to establish order again. When it was the turn for the speech of the Afghan mujahedin he was reminded to talk for only five minutes. This upset the mujahedin representative so that he left the tribune tearfully and addressed the participants: "They don't even let us talk here." Later it became known that Hashemi intended to protest against the Islamic Republic for helping a group of Hezarehjat Shiite mujahedin.

Anyhow, contrary to the Islamic Republic's conception, the seminar neither condemned nationalism nor praised the clamorous leadership of the nation's imam. But over 1,000,000 pounds were spent in order for a group of the Islamic Republic's supporters, after spending three days at the seminar and a two week excursion in London, to shout three times "Salute to Khomeyni, down with Saddam." Even some Pakistani's who participated in the Islamic conference of the Iraqi regime also uttered the second part of the slogan below their breath!

Interesting events occurred on the fringes of the seminar. One of the events was the intense argument of two Pakistani clergy with two members of the al-Da'wah Party. The members of the Party accused the Pakistanis of sending news of the seminar to Iraq. One of the Pakistani clerics clearly pointed to one of the Party members and said: "Search his pickets, he has a taperecorder, he is a spy, not me."

9815

CSO: 4640/707

IRAN

ISLAMIC COOPERATION PROMOTED WITH SCHOOLS THROUGHOUT THE WORLD

Tehran KEYHAN in Persian 8 Sep 85 p 3

[Text] The second academic year of the Islamic Propaganda Organization religious school began at Martyr Beheshti school yesterday afternoon with attendance by Ayatollah Janatti, Director of the Islamic Propaganda Management and Planning Council and Supervisor of the Islamic Propaganda Organization and several Tehran seminary teachers and religious scholars.

At the opening ceremonies the Supervisor of the Tehran Islamic Propaganda Organization's seminaries discussed the accomplishments of these schools last year. He said:

Today the Islamic Propaganda Organization cooperates with 126 religious schools nationwide, and has founded and launched almost 100 schools of its own. Likewise in 1363 [21 Mar 1984 - 20 Mar 1985] the Islamic Propaganda Organization made contact with 374 seminaries in the world, many of which belong to Sunni brothers.

After remarks by the Supervisor of the Tehran Islamic Propaganda Organization's seminaries, Ayatollah Janatti, Director of the Islamic Propaganda Management and Planning Council and Supervisor of the Islamic Propaganda Organization, gave a talk. In the first part of his talk he addressed teachers, religious scholars in the religious schools, and the country's clergymen. He said: Perhaps it may be generally stated that the continuation and prosperity of Islam depends on the activities and efforts of religious scholars. The greater the endeavors of religious scholars and clergymen, the prouder is that society. It must therefore be said that for the people to have faith in any practice requires the role of religious scholars. If we want to know whether a society is religious or not, this can be determined by looking at its religious scholars and leaders.

In the second portion of his talk, the speaker discussed seminary students. He said: Today is not a day when issues can be approached with humor. Today is a day of seriousness, effort, and giving everything one has. Today, Islamic societies are waiting for news from here. They want to know where this movement is going, and the eyes of everyone are on the clergymen and religious scholars. Today society needs qualified clergymen even more than oil. If society has concerned clergymen, it will not have to worry.

If we take the issues and our classes seriously, and if we are satisfied with what we have done at the end of the year, we can hope that next year will be good as well. If, however, we just put the year behind us without accomplishing anything, then there is grounds for pessimism concerning the future and a feeling of responsibility.

9310  
CSO: 4640/2a

PAKISTAN

MENGAL ON EXPLOITATION OF SMALLER PROVINCES

Karachi JANG in Urdu 25, 26 Aug 85 p 3

[Interview with Baluch leader Ataullah Mengal by Irshad Ahmad Haqqani in London]

[Excerpts] [Question] Sardar Sahib, you have seen the reaction to your formation of the Pakhtoonistan-Sind-Baluchistan Front. Have you ever thought of reviewing your policy or making any changes in your stand? I mean, do you persist in your demand for a confederation? Are you not willing to make some changes?

[Answer] It is one thing to face facts and quite another to indulge in politics for the sake of politics. When I came here I declared that nothing less than an independent Baluchistan would satisfy us. It was not a stab in the dark. I had reasons for saying it. You see the secession of Bengal was a danger signal for the smaller provinces, because now Punjab became all-powerful. In the past we were safe because Bengal was strong enough to intimidate Punjab. After Bengal seceded we were left unprotected. We had hoped, however, that the tragedy in East Pakistan would knock some sense into the Punjabis, and make them find some way of living in peace and justice with the people of other provinces. We hoped that Punjab would learn a lesson from the results of its excesses in Bengal. Pakistan had been broken. I often tell people an anecdote about the time when Pakistan had been newly created. In those days it was not easy to travel from Baluchistan to Karachi. People had to travel by camels. Mr Jinnah was still alive. Many people could not even pronounce "Pakistan." A Baluch went to Karachi. When he returned, people asked him what he had seen there. He said, "Bakistan is dead. I saw his funeral with my own eyes." The Baluch had seen Mr Jinnah's funeral and thought Pakistan was Mr Jinnah's name. When Bengal seceded, I said, "Today Pakistan is really dead. What remains is merely Baqistan [the remainder]. We hoped that the tragedy would open their eyes and they would learn to "behave," but we were mistaken. We discovered that the Punjabis had done what they had done because they did not want to "behave." Now we did not go to the public for votes since we knew votes had not given us any protection. We decided to approach the people to tell them that the only thing that could save us was "major surgery." Were they ready to face the operation? Nothing less than that was of any avail (Sardar Sahib meant the independence of Baluchistan). If they wanted temporary relief they could take sedatives but it would not solve the problems. The idea of confederation was only an effort to solve the problem of our country, but I could not find any co-workers and helpers. This was the only method by which our province, as well as Pakistan,

could be saved. But I could not make the confederation all by myself. Confederation cannot be made in a vacuum. I needed helpers. Very gradually others began to see my point of view. Sindhis and Pakhtoons realized that if they did not fend for themselves they would be nowhere. When I talked about confederation in the beginning everybody said that it would be hard to achieve, because there were sure to be great hurdles in our way.

Then we developed a lobby for this cause. But confederation can be achieved only if Punjab agrees. People accuse me of deserting my aim of an independent Baluchistan. I have not forgotten my aim, but this dream cannot come true without the consent of Punjab. Can Sind, Baluchistan and the Frontier make a confederation? Unfortunately, every group of people in Punjab, whether progressive, religious, feudal, democratic or bureaucratic, think alike. All of them say that the part of the 1973 Constitution connected with the autonomy of the provinces is still alive and active (hence there is no need of a confederation). But I say the whole constitution along with its binding is dead. We are not so dumb as not to be able to see facts. Despite our ignorance we know a thing or two. We know exactly why all these people are united on this point. The shabby way in which they are opposing us will be enough to unite us against them. I wrote a letter to Wali Khan in which I wrote that Punjab should plunder us in its own name. Punjabis are looting us in the name of Islam, patriotism, cooperation, benevolence and Pakistan. We want them to call a spade a spade. The smaller provinces should be told that Punjab is plundering them because it has power. We shall bear this cruelty as long as we can and then we shall cast off the yoke of slavery from our necks. Punjabis should rid themselves of the idea that we are their dupes. We are nothing of the sort. We are the victims of their power. As soon as we get power we shall be free.

[Question] Sardar Sahib, you think Punjab is exploiting your people. Do you include Punjabi politicians, the public and the intellectuals in the exploiters? Who do you think are the real culprits?

[Answer] Sir, they are all in it. Some classes of Punjab plunder us actively while others are the well-wishers of the plunderers. But they are all in it. I consider every class in Punjab to be guilty. The difference is only that of degree. Let us take an example. Suppose I ask a Punjabi if he wants democracy, the answer will invariably be "yes." Then I ask: Considering the known history of Pakistan, can you have democracy? Punjabis will say it is not easy. You talk about removing martial law. But the question is not this martial law but the mentality that causes martial law again and again. No Punjabi has told us the solution to this problem. Where is the justification for keeping such a big army? Do you want to conquer India? Do you want to occupy Russia?

[Question] Sardar Sahib, how can the Punjabi public, the intellectuals and the politicians be responsible for what the army does? The army came to power by historical causes. The Punjabi politician is frustrated and angry. The Punjabi intellectual of today (I am not talking about the pre-1977 era) is not happy either. He is not responsible for the situation. The army is a fact that has to be faced. Do you think a Punjabi would not be punished for criticizing the army? Speaking out is even more difficult in Punjab than it is in your province. Again the power with which we have to deal is supreme in the country. How can anybody correct a department that is all-powerful? Don't you see that Punjabis are as powerless here as you are?

[Answer] No, sir, the attitude of the Punjabis towards the army is quite different. Let me explain it with the help of statistics. Between 3 million and 3.5 million people are connected with our army, which numbers 600,000, for every man has a family consisting of five or six members. Then there are your retired military men and people in the Military Foundation. Then all military men from the trooper to the general use their military status to get help from every official from the tax collector to the governor. A soldier will approach the tax collector and a major general will approach the governor in order to solve their own problems and the problems of their friends and relatives. In this way the Punjabis reap the benefits of having a strong Punjabi army. Ninety one percent of the people in the army are Punjabis, 9 percent are Frontiermen. The share of Sind and Baluchistan is next to nil. The representation of the Frontier is above their population; that is why they are not dissatisfied on this score. Had we been similarly represented in the military we would not have had such acute problems. We do not complain of being deprived of military service, we complain of being deprived of basic rights.

[Question] But Sardar Sahib, the army came into power because of historical causes. How can Punjabis be blamed for it?

[Answer] The army came into being with our independence, but in those days its numbers were much lower. Still it came to control the country. It did not start with General Zia. With the exception of a few unimportant intervals, power has never been restored to the people. We think that at least 10 million Punjabis are reaping the benefits of being directly or indirectly connected with the army.

[Question] Sardar Sahib, you said 3 million and a few more. How did it add to 10 million?

[Answer] Listen, all the military men that retired during the past 37 years are drawing pensions. Then there are those who are working in the Military Foundation and civil departments. All our military men are field marshals. You see our military men never retire. When they leave the army they are given employment somewhere else. They go on earning money until they have to walk with crutches. In this way the number of Punjabis getting benefits from the army comes up to 10 million. Now why should the people of Punjab want to make the army weak just for the sake of justice and other high ideals? Even the Punjabi politicians are with the army. I find that unforgivable. Every Punjabi is in it, but there is a difference of degree. Some help the army actively, others only offer silent prayers for it. Some do it consciously, others unconsciously. But all of them are in it. They want a status quo. Let us look into the past. When Bengal was invaded and the Bengalis were being massacred, did a Punjabi politician raise his voice in protest. Now they say that they protested but no newspaper would print their statements. These are lame excuses. When people want to protest they do not care for censorship. The politicians of Punjab are afraid of losing their three colonies (Sardar Sahib meant the three smaller provinces). If the power of the army is limited these colonies will demand equal rights. If they are not given equal rights the present Pakistan will come to an end. That is why Punjabi politicians will not cooperate in limiting the power of the army.

[Question] Do you mean to say that the Punjabi politician is so insensitive that even if he had the power, he would never help the smaller provinces to have their rights and privileges?

[Answer] That is what I mean to say. Let us take the question of confederation. Punjabi politicians are saying that confederation will break up the country. General Zia said it indirectly, but the politicians are saying it openly. None of them, however, has shown us how the country would break up. What is there in our program that will lead to a disintegration of Pakistan? Recently in a seminar here our "progressives" said in very tragic tones that the country would break. They gave no logical proof for what they feared.

[Question] I know the details of that seminar. Your plan was criticized on the basis of the demands for social justice. Your demands are not based on a demand for social justice. Even if you get what you want, the have-nots will remain victims of deprivation. See what happened in Bangladesh. In this seminar it was said that social and economic justice is needed in all the four provinces. The fear that confederation would lead to a break-up of Pakistan has been expressed in Pakistan but not at this seminar.

[Answer] Something was said on this seminar too. Their socialist leader Sheikh Rashid said that the country would break up, and all the smaller provinces would disappear. I said, "How will the country break up? Do not talk in the air. Prove what you say." I will tell you what they fear deep down in their hearts. We have said in our program that every province will have an equal share in the armed forces. There will be equality in the civil services too. Every province will keep its own revenue, and give to the center as much as it thinks proper. The center will not give alms to the provinces.

[Question] According to your plan the central government will not have the right to levy taxes?

[Answer] No. The central government will levy taxes only in the departments under its control. And the departments under central control, as well as their income, will be limited. The Center will not be able to keep a large army. In this way the provinces will have more money to spend on development projects.

[Question] If you give defense to the central government it will have to keep an army, great or small. It will have to levy taxes to meet the expenses of the army.

[Answer] It will, but only in the departments the provinces give it. At present all the funds are with the center. I asked at the seminar: "Suppose Punjab wants to secede, can the other three provinces prevent it from doing so?" No, because all the power is in the hands of Punjab. The army as well as the civil services are in its hands. Punjab can make other provinces secede just as it made Bengal secede. I asked them, "Why does not Punjab secede?" Because Punjab is happy. Some day, when we are satisfied, we too will not want to secede.

Does Punjab think it has the monopoly of patriotism? You have power, hence you do not want to secede. When we have power we, too, will not want to secede. We shall have everything and we shall enjoy ourselves. You will be our dependents (laughing). You, not we, will go to Khalistan for help. The Punjabi politician is afraid that with confederation the army that has made him all-powerful will become weak. They are opposing us more than anybody else. Their argument is that if Baluchistan has power it will secede. But how? Punjab will never let us go willingly. If we ever secede it will be by our own strength.

12476

CSO: 4656/159

PAKISTAN

MENGAL: PUNJABI COLONIAL MENTALITY IS IN WAY OF COUNTRY'S UNITY

Karachi JANG in Urdu 27 Aug 85 p 3

[Interview with Baluch leader Ataullah Mengal]

[Text] Question: Sardar Sahib, if you are as dissatisfied as you say you are and this is your experience, then why do you keep on talking of confederation, etc? Why don't you frankly say that you want to be separate?

Mengal (Angrily: I have said that we want to be separate. But we maintain that if we can find a way for us to live with dignity within the framework of Pakistan, we would consider it. I do not enjoy talking of separation. I have no wish to leave my name in history. I do not want to accomplish anything great. I feel compelled to talk of separation. I want comfort and facilities and if a way can be found without much hardship, and hardship there will be in the event of separation, then I'm all for it. If this country can be saved in a way that satisfies everyone, that is good. It is not that we are doing any favor to Pakistan. I say that the good of all of us lies in it. This way the name of Pakistan will survive and we will be satisfied in our own places. But if no such way can be found and if the Punjabis try to force their own proposals and constitutional schemes on us and if they try to overwhelm us, then it will be a different situation. As I submitted, confederation can take two shapes. One is between the four provinces. But if Punjab does not agree and uses force and there is violence and there are fatalities on both sides, then there will be confederation between the three provinces, Sind, Frontier Province and Baluchistan, and Punjab will be excluded if it starts killings as happened in Bengal. At first Bengal asked for six demands, but these were not granted. Now when there is talk of confederation, one hears there are cheers in Pakistan. When General Ziaul Haq returned, people were jubilant that Bengal had agreed to a confederation. But celebrations are held when countless of their people have been killed. Now, which Bengali leader can agree to a confederation? The next day people will find dead bodies and they will wonder whose corpses are piled up. Which Bengali leader will agree? No one can have the guts to do this. Your military regime can agree to it, but the Bengali leaders are afraid of the consequences. Similarly if they pile up corpses in Sind, Baluchistan or Frontier, who will have the guts (to deal with the government)? Even those who now cooperate with the regime will not have the courage to deal with them. If they do, people will wring their necks. It is not out of fun that we say that

we will be separate. I say that if anyone has a way to safeguard our rights short of confederation, then... Look here, people talk of provincial independence and that they will be granted autonomy. Well, now it is no longer a question of autonomy. We had agreed to the 1973 constitutional autonomy even though that was no autonomy. We accepted it in violation of the stipulations of our party. In our constitution the central government has only four subjects. The question is no longer one of autonomy. The real question is of a guarantee to safeguard the autonomy granted to the provinces. This is nowhere to be found and this is the cause of our despair. During the past 37 years, leave alone autonomy, even democracy has not been guaranteed, and Punjab has benefited most from this. If there had been democracy, Punjab could have gone on plundering with all the fanfare and no one would have raised a finger. If no guarantee could be given for that which was in your interest, then who would guarantee our rights and stipulated autonomy? Under these conditions, how can you ask us to undertake another experiment? If democracy were guaranteed, Punjab would not have to suffer the ignominy of ruling through the help of martial law. But the fact is that every five years there is an invasion, we get beaten and we are back at square one; we return to the starting line. You again invite us to come, meet and decide on the allocation of rights between the capital and the provinces. It does not make sense. Time and again you decide what you will give to us. How long will this go on? Thirty-seven years have passed. Two generations have come and gone. No, Sir, it cannot go on like this.

Question: Sardar Sahib, we were talking of the Punjabi politician. You say he is responsible and guilty. Is it your considered opinion that he is a deliberate partner in maintaining military rule?

Mengal: Yes, it suits him. Military supremacy suits his objectives and colonial designs.

Question: Sardar Sahib, do you think that this colonial mentality is equally present in all classes of Punjab?

Mengal: It is very difficult to say that the 40 million people of Punjab have the same mentality. I cannot say this. But those classes which carry weight, which can and do influence events and matters, and they are both within the government and outside it. There are many lobbies. Press has its lobby. Bureaucracy has its lobby. Military has its lobby, and politicians have their own lobby.

Question: I would again ask you about politicians. What is your opinion about them?

Mengal: There will be a microscopic class which will admit that they are completely satisfied. Punjabis are a strange people created by God. In their lust and greed they cannot see anything. Under the influence of greed and lust, they sometimes commit suicide. Just consider. If under the conditions that are prevalent in this region you keep us discontented, what will be the consequences? You have incurred enmity not with Afghanistan but with Russia. We don't know the limits of Russia's patience. It is said that Russia can wait for

centuries. Otherwise no one knows what could have been the consequences of the mischief that you have committed. The 3 million patient Pathans that have come here, according to you, you have armed them and you have kept them here. You have granted them all kinds of facilities and all kinds of freedom. Without a permit, they can kill not only animals but even human beings. You have maintained them in your own country. With India your relations are bad. Even with Iran you cannot claim friendship. If it is not enmity, it is not friendship either. Only a Punjabi can do this. No one else would have the guts (in a humorous vein). After all, it is a martial race. It cannot be expected from another race. Only a martial race can do this.

Question: Maybe this is a calculated policy and it does not have the element of risk and danger that you ascribe to it. Maybe it is not a policy of suicide, as you call it. Maybe they have internally balanced it so that the stage will not come when Russia's patience is exhausted. And the stage has not come, contrary to the expectations of many people. After all, five years have passed. For this reason it may not be correct to call it Punjabi foolishness.

Mengal: Look here. Let me say this. The politics of great people will not make sense to us humble folk. But I will say this, that the reason for this (Russian inaction) is Russia's conviction that because of the economic difficulties Pakistan is facing, and because of the geo-political realities, Pakistan will have no choice but to incline to the power close to it. This calculation of Russia has been keeping it from any major step in this matter. It believes that sooner or later, Pakistan on its own will come closer to the Socialist Bloc. That is why it is not taking any action. Otherwise, the policy that you pursue had no scope in it. Russia knows where else Pakistan can go. The fact is that as far as you are concerned, things have gone beyond the stage of a play. It is Russia's own priorities and calculations which have been saving you till now. If this were not Russia's thinking, by now you would have got a slap by way of a lesson. No Pakistani leader claims that Russia is so weak that it dare not slap Pakistan. No one claims that. On the other side is India, which at the moment is more powerful than Pakistan. You are aware of the relations between India and Pakistan. Iran is not that Iran and its Phantom planes would fly in to your side or that PIA planes would go and hide there. China is not the China it was in 1965. Then it helped you, but today it may not come to your aid. Knowing all these factors you are pursuing your foreign policy only because you are getting money for it. But even this money is not doing any good to the country. This is helping only those few people who constitute a special group. In exchange for this money these people have taken the country to the jaws of death. The misfortune is that only Punjab has the power to save the country from this danger. But to do this, Punjab will have to do something more. Punjab cannot maintain its colonies and reduce its military at the same time. Under the circumstances, the Punjabi politician has practically capitulated before the wishes of the military. They know that their colonial objectives cannot be protected except through military rule. Short of this, the Punjabi politician will do anything. If he reduces the power of the military, he knows that the smaller provinces will demand equality. Now, if a father has four sons and one is a laborer and one is handicapped and one is a scientist and one is intelligent, all four sons should nevertheless be equal partners in the father's estate.

12286

CSO: 4656/164

PAKISTAN

QATAR LABOR MINISTER VISITS

Karachi DAWN in English 26 Sep 85 p 2

[Text]

ISLAMABAD, Sept 25: Mr Ali Ahmad Al-Ansari, Minister for Labour and Social Welfare of Qatar, gave an exclusive interview to the Arabic Service of the External Services of Pakistan Broadcasting Corporation, which was broadcast on Sept 25, 1985.

The Minister said that he had come to visit Pakistan at an invitation from Pakistan's Labour, Manpower and Overseas Pakistanis Minister, Mr Hanif Tayyeb. The visit, in fact, was to consolidate the existing cooperation in the field of manpower utilisation and to institutionalise the present system of manpower export from Pakistan to Qatar. Pakistanis had been working in Qatar since long and they had made valuable contribution in the socio-economic development of Qatar, he said. He stressed the need for such an arrangement so that Pakistanis, going to Qatar for

jobs, should not face any difficulty. Of course, another major purpose of his visit was to further strengthen and consolidate the friendly and brotherly relations between Pakistan and Qatar, he added.

Commenting on his meetings with President Mohammad Zia-ul-Haq and Prime Minister Mohammad Khan Junejo, the Minister said the meetings proved fruitful for further cementing the existing good relations between Pakistan and Qatar. He said both the President and the Prime Minister of Pakistan were also as good as their own leaders, since Pakistan was an Islamic Republic a Muslim country, and Qatar was also a Muslim country.

The Minister recollected that he dealt with immigration cases, like applications for residential permits, visas, etc. of Pakistanis wanting to work in Qatar. —PPI

CSO: 4600/37

PAKISTAN

ARTICLE DISCUSSES CHARGES THAT GOVERNMENT IS SLOW IN ISLAMIZATION

Lahore NAWA-I-WAQT in Urdu 30 Aug 85 p 3

[Text] On 22 August, the concluding day of the Senate session in Islamabad, as I was coming out of the press gallery, a person handed me a cyclostyled copy of a statement by assembly member, Mr Gauhar Rahman. The person was distributing copies outside the Senate. The statement is given below.

"Islamabad-22 August. Insult to the Islamic system and the faithful cannot be tolerated under any circumstances. A statement by the federal home minister lends credence to the suspicion that the present regime is not interested in enforcing the Islamic system. These views were expressed by assembly members Maulana Gauhar Rahman and Haji Fazal Razaq following the federal home minister's statement in the national assembly. Concluding debate on the report by the 29-member committee, the federal minister, Mr Aslam Khanq, said in the national assembly today that the Islamic system was impracticable. Voicing their strong reaction, the two members asked why, if the Islamic system was really impracticable, had President Ziaul Haq been shouting the slogan of Islam continuously for the last 8 years and why was Islam declared the official religion in the Pakistan constitution and why was the Declaration of Objectives made part of it. It should be kept in mind that concluding the debate on the 29-member committee report, Home Minister Aslam Khanq touched on the Islamic system. Referring to the caliphate, he said that in that time the Islamic state, like the Greek city state, was a small entity whereas today we have a population of 90 million. He noted that three caliphs had been murdered, Imam Hassan was poisoned, and Imam Hussain was made to suffer martyrdom, and after this the nation was divided into 73 sects with their scholars fighting among themselves. Raising a point of order on these remarks, Haji Fazal Razaq and Maulana Gauhar Rahman pointed out that the caliphs are a model for us and their denigration cannot be tolerated. So far as quarrels among scholars were concerned, everybody should know that scholars from all schools of thought, while agreeing on 22 points, have demanded enforcement of the Islamic system. They said that what the scholars have done is not even a tenth of the role played by ancient politicians in the disintegration of the Islamic nation. They emphasized that the movement in the country for enforcement of the Islamic system was bound to succeed and that the government cannot stop it. In answer to the home minister's remarks that he was ready to accept leadership of religious scholars in enforcing Islam, the two members pointed out that power was in their (the regime's) hands and that if they enforced the Islamic system completely, they would receive full cooperation. These assembly members appealed to all scholars, holy men and religious bodies to rally behind the Islamic system and thus frustrate the designs of anti-religious elements."

I have reproduced above the press release of Mr Gauhar Rahman word for word so that I may give the readers the full text before commenting on it. The document should be there so that the readers may get to know its spirit. At the same time, Mr Gauhar Rahman may not charge me with any dishonesty.

This was the last day of the National Assembly session. Chairman of the 29-member special committee, Mr Aslam Khanq, who also happens to be the home minister, was discharging his responsibility of winding up the 10-12 day debate with great gusto and effort, even though mindlessly, and his condition was such that he had no idea what he was talking about. He went on speaking and would probably have gone on speaking if Mr Gauhar Rahman not raised a hue and cry and had the honorable minister not got apprehensive of breach of peace in the house. I was also present on this occasion. I was sitting in the press gallery along with other journalists, listening to Mr Gauhar Rahman's outbursts and his altercations with Mr Aslam Khanq. It was becoming difficult to hear anything. All I could do was to watch these two honorable members of the assembly trembling, growing agitated, gesticulating, shouting and screaming and, despite the speaker's pleas for calm and control, their standing up repeatedly and challenging each other. It was a scene which one does not forget. That is why I felt it necessary to say something in light of Mr Gauhar Rahman's press release.

I have to accept what Mr Gauhar Rahman has said in his press release concerning Mr Aslam Khanq because, before his vigorous and terrible protest, I and other journalists in the press gallery were unable to understand anything of Mr Aslam Khanq's speech. We were looking at each other in amazement wondering what the honorable minister was saying and what he wanted to say, even though I have never expected from Mr Aslam Khanq a coherent and complete speech anyway. He has reached an age when it is not possible for him to keep his remarks brief and to the point. He is used to occupying ministeries and offices and as yet he is not showing any weakening in his resolve to stick to offices of authority. For those who get used to shining in positions of authority, it is not possible to maintain discipline and balance in conversation. That is why only God knows what Mr Aslam Khanq was saying and why he was saying it when Mr Gauhar Rahman got angry and then became so angry that it was beyond the speaker and the house rules to control him.

As a matter of fact, I myself am not altogether satisfied with the government's efforts in enforcing Islamic rule. Indeed, the nation's president himself is not satisfied with it and he has publicly given vent to his feeling. Even so, I cannot understand how all of this -- what Mr Aslam Khanq said in the assembly in response to which Mr Gauhar Rahman so vehemently protested in spite of the speaker's caution and then distributed the press release -- can be attributed to the government's failure in enforcing the Islamic system. In an extremely disconnected and rambling manner Mr Aslam Khanq was, as he said, shedding his heart's blood before the house, telling the tragic tale of Pakistan and illustrating it by giving references from the bloody history of Islam. Mr Gauhar Rahman protested against it in such a manner as to give the impression that Aslam Khanq's speech was part of a well-thought out government conspiracy to frustrate the Islamic system. Mr. Gauhar Rahman's reaction was like a crusade.

In fact, if any conclusion can be drawn from Mr Aslam Khanq's speech, it is that he was also listing past and present examples of crusades and in the light of this was perhaps making a futile effort to say that the revival and enforcement of both democracy and Islam have never had and never will have truck with needless violence. Democracy and Islam both do not mix well with dissensions, self-righteousness, obstinacy, fierceness and communalism. It is another matter that the speech of Mr Aslam Khanq had not had the benefit of learning. Nor had it been carefully composed. It was merely a loose and careless speech. To raise a protest over it in the name of Islam, as Mr Gauhar Rahman did, appeared very strange and was not to the liking of either the listeners or the spectators.

Now if the matter was so trivial and the incident so commonplace, then I can be asked why I wasted my own and my readers' time by dwelling on it. In answer I would submit that although the incident was surely trivial and unimportant, the place where it occurred and the personalities involved were not unimportant. Mr Gauhar Rahman is a religious scholar, he is the people's representative from Mardan, he occupies a prominent position among the learned of Islam and he is one of the three sponsors of the movement in the national assembly to end martial law. Had they not introduced the motion of rights in the national assembly, the special committees of the National Assembly and Senate would not have been formed, the recommendation to revive political parties would not have been introduced in the houses of parliament and the prime minister would not have announced on 14 August the date for ending martial law. The jolt that the movement for rights has given to the undesirable elements in politics and the favorable situation it has created is known to most people. This movement was founded by Haji Safaidullah, Mr Gauhar Rahman and Mr Mumtaz Ahmed Tararh. As a result, theirs will be considered a very basic and important role in the history of ending martial law, reviving democracy and reinstating the constitution.

But this role should not remain confined to introducing the movement for rights. It is expected of them that they will play the same role in supporting and upholding parliamentary rules and discipline and the character, calmness and fairness that is now needed for democracy both inside and outside the parliament. It is hoped that they will do it in a manner that is expected of founders of any system. If the introduction of democracy and the Islamic system is really the aim, then this cannot be accomplished by bringing up the attitudes, practices and associations of the last two or three decades. Members of the assembly will have to adopt parliamentary code of conduct. They will have to give up the practice of using parliament as a public meeting. In parliament there is a place for temper, walk-outs also happen, protest demonstrations take place, arguments can arise, satire also goes on, but the stature of the house and the rules are upheld all the time. Caution and care are especially incumbent on those who are the students and protagonists of Islam and the Shariyat. For them sobriety and calm, sense and intelligence, beauty of character and quality of temper become especially important. They have to become a high example for others so that holiness may be vindicated, not that spectators and listeners should get angry and form bad opinions.

So far as Mr Aslam Khanq is concerned, he and people of his tribe like Mr Abdul Ghaffour Hoti should coolly ponder what service they have rendered to the nation by time and again holding ministerial and diplomatic offices. If they look around they will realize how much the world has changed. The modern Pakistan is a Pakistan of a new generation, and its leadership and control should be in the hands of a new generation. Mr Aslam Khanq is definitely an experienced veteran, but he has been associated with every age and every personality and cannot start a conversation without denouncing and cursing them. He cannot wash away the guilt which because of his past associations has rightly or wrongly stuck to him. The presence in the cabinet of people of his stamp does not advance the government's influence. Nor is it fitting to their frail old age. Today in the assembly and senate there are many young members who are very promising and intelligent. Control of government should pass into their hands. Responsibilities of administration should be entrusted to them. Pakistan should rid itself of its tattered past and enter the new age of the future. If, even after martial law, politics and administration have to remain in the hands of the generation, one facet of which is MRD and the other is represented by the cabinet of Mr Mohammad Khan Jatoi, then the country will continue to go on the way it has done so far.

12286

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PAKISTAN

PROPOSED 'OFFICIAL' PARTY, VARIOUS GROUPS IN NATIONAL ASSEMBLY

Lahore NAWA-I-WAQT in Urdu 26 Aug 85 p 2

[Editorial: "Old Political Tactics"]

[Text] Prime Minister Mohammed Khan Junejo's efforts to form an "official" parliamentary group under his leadership during the budget session of the National Assembly in order to get the first budget of the elected government successfully approved was quite understandable as a prudent measure. But later when efforts were made to give this group the form of Muslim League parliamentary group, it was apparent that these efforts would meet with difficulty. According to news reports a large number of National Assembly members who were made to sign a written pledge has begun to express concern and doubt. As a precautionary measure they are being made to sign another document so that, if a clause stating that the membership of members of the assembly who leave their party will become null and void is added to the bill proposing restoration or reorganization of political parties, this clause will not affect the members of the assembly who signed this document, because they were made to sign this document when the political parties were non-existent.

- The present situation appears neither pleasant nor hopeful, and the future of the political system and political picture are still bleak. If an assessment were to be made of what has been achieved from elections, it would not be difficult to conclude that the problem has only just begun. But in the arena of politics and power there have also started a tug of war, conspiracy and confrontation which, on a number of previous occasions, have given rise to serious problems and disruption in the democratic process. But this problem cannot altogether be said to be totally unexpected or beyond understanding. Before general elections were held warnings were repeatedly given about the difficulties and shortcomings involved in holding elections on a non-party basis, including the warning that it will not be easy to make those members of the National Assembly elected on their own merits as independent candidates, abide by and get accustomed to party regulations.

Some embarrassment and perplexity were also caused due to the personality of Prime Minister Mohammad Junejo. On the one hand, he portends the strength he has just received as a result of the blessings of President Ziaul Haq. On the other hand, he is also obliged to Pir Sahab Pagaro, leader of the Muslim League,

for political support. President General Mohammad Ziaul Haq, for some reason, does not himself wish to become the leader of the Muslim League, and it is not possible to tell whether or not Pir Sahab is prepared to abandon the leadership of the Muslim League. He says that for the last 12 years he has been feeding people and being cursed and now someone else should execute these duties. At other times he has indicated that he does not intend to give up the leadership of the Muslim League.

According to the traditional parliamentary system of democracy, the ideal situation would be one in which Prime Minister Junejo becomes the leader of the Muslim League parliamentary group and leadership of the Muslim League is assigned to some solemn person associated with it and having years of service to his credit. No one can deny the efforts Pir Sahab Pagaro spent to strengthen the Muslim League in 1977 and in the following years. He has not only played an important role in maintaining the Muslim League as a party with his half humorous and half serious talk, he has also proved to be a valuable asset for the integrity and unity of the country. Certainly, all these years he has been stating in the most authoritative fashion that power will indeed ultimately be transferred to the Muslim League. But as far as the Muslim League is concerned as a party, he has not succeeded in making it a strong and consistent political party, nor has he been able to infuse any discipline into its ranks. As far as power and authority are concerned, if they are transferred by the votes of the people then they become honorable as well as credible. But if seized by force of circumstances or through conspiracy and intrigue in the drawing rooms, then such power and authority are neither laudable nor durable and permanent.

The opportunity to change the Muslim League's label to an honorable one was achieved as a result of elections, and this opportunity still exists. The honor of being the founder of Pakistan enjoyed by the Muslim League is not only unique, but everlasting as well. In order to maintain this honor and esteem, it is necessary to give due regard to the teachings and principles of Quaid-e Azam so that people belonging to the Muslim League or those having its mentality, who have been grieved and disappointed because of lack of discipline in the party or line of action of the leaders and have become silent and secluded themselves (and such people are to be found in large numbers all over the country), may once again become ready to take an active part in serving the national organization of the country. Such public support would make this national party capable of running the affairs of the government and politics seriously which at this time is not only important but is the most essential requirement of this country and nation. The enemy is on the lookout for this country to be disorganized so that it may be overrun. It will be unfair not to appreciate and give due recognition to the constructive role played by Muslim Leaguers or people having identical views with them or people belonging to other schools of political thought in safeguarding the unity and integrity of the country and nation under the prevailing conditions. At the same time we must also not forget even for a single moment the fact that some circles have gone so far as to raise the slogan of confederation of the four provinces. Many of the self-exiled people living abroad and subsisting on foreign funds are busy creating new mischief. The rebels inside the country now have the audacity to say that Pakistan achieved independence because of the kindness of Gandhi and Ghaffar Khan and that only Rajiv Gandhi and Ghaffar Khan alone can save it. The designs and intentions of these elements are self explanatory.

There are some colleagues and associates of the president who have enjoyed power for so long that they cannot bear even the mere thought of parting with it. On the other hand, Prime Minister Junejo is faced with many problems. The Sumroo group wonders how, since he attained membership in the national assembly by defeating the Muslim League he can join the Muslim League parliamentary group now. They also say that it is only President General Mohammad Ziaul Haq who is really popular and as such he should form a party of his own. There is another group belonging to Mr Zafrulla Khan Jamali, who himself was a candidate for the premiership. First he rejected signing the pledge for joining the Muslim League parliamentary group and then expressed his willingness for the sake of saving the ministry. The third group is that of the young speaker, Mr Fakhr Imam, which includes young men like Javed Hashmi. This group claims to support balancing the new with the old.

As the political discipline of the nation and the country was already weak, it could now be called extinct. But now, even before restoring democracy, the kinds of tug of war, conspiracy, intrigue and confrontation that have been on the increase naturally give rise to the impression that we have also been deprived of national discipline as well. This situation is doubtless a consequential gift of martial law. But when all of them unequivocally declare that their aims and objectives are the lifting of martial law and restoration of democracy, then the basis of thought, action and standards should also be national discipline, so that in the act of playing a game we may not be deprived of the field of play once again. The responsibility of saving the country and the nation from this grievous and most dreadful tragedy rests with all the members of the National Assembly and demands that they work together in a spirit of reality, restraint and sacrifice. But if, under the circumstances, it is said that the biggest responsibility lies with the president of the country and the president of the Muslim League, then this statement cannot be said to be underestimated in any way.

9315

CSO: 4656/161

PAKISTAN

COMMENTARY SEES IMMINENT DOWNFALL OF REGIME

TA110503 (Clandestine) National Voice of Iran in Persian 1730 GMT 10 Oct 85

[Unattributed commentary: "Antipopular Regimes Cannot Last"]

[Text] Dear compatriots: Indications show that antipopular regimes, similar to that of Ziaul Haq, are beset by a deep crisis that they can no longer endure. The 8-year rule of Ziaul Haq's regime is a black book in Pakistan's history. This regime speaks in the language of repression, terror, and torture to the leaders and activists of progressive parties and the opponents of the system of tyranny and despotism. In short, the people of Pakistan are living under the same fatal conditions that our nation is experiencing during the rule of Khomeyni's regime. Both our nation and the Pakistani nation are fighting for a serious transformation in the country's situation.

For the first time last year Ziaul Haq's regime was faced with a serious threat during the campaign for freedom. The initiators of this campaign, who had entered the arena for the sake of freedom, were members of more than ten parties opposed to Ziaul Haq's regime. Rallies and demonstrations to end the life of martial law, install the constitution approved in 1973, and return to the era of civilian rule, engulfed Pakistan's towns and villages. Reports about these events were always interspersed with news on the deaths and arresting of scores, hundreds of strugglers. All police forces, as well as sections of the army of Ziaul Haq, were mobilized and employed to suppress freedom-seekers. Prisons and camps were filled with these strugglers.

It was under such conditions that Ziaul Haq's martial law regime was forced to retreat. It announced the holding of elections for local organs, and freed more than 1,000 freedom fighters and government opponents. However, the country's domestic political crisis deepened. In practice, all the [word indistinct] of the Pakistani people took part in rallies and demonstrations. Anti-government demonstrations also escalated in some barracks and among army officers. It was at this stage that General Ziaul Haq tried to solve his problem by holding a referendum in connection with the so-called Islamization of the country. But what was the outcome?

Mr (Kheyroldin), secretary of the movement for the restoration of democracy in Pakistan, frankly termed Ziaul Haq's referendum at the biggest hypocrisy in Islam's 1,400-year history. Only 10-15 percent, and in the view of the regime's

opponents, even less than this number took part in this referendum. In the national assembly elections in Pakistan, last February, Ziaul Haq faced a more serious defeat. In these elections, in which more than 40 percent of the candidates were somehow affiliated with military authorities, they in fact were not elected. In general, more than 40 percent of the electorate did not participate in the elections. Despite this defeat, Ziaul Haq, by tampering with the constitution of 1973, put forward a new draft of the constitution. These changes in the constitution give him the right to appoint or dismiss the prime minister and high-ranking army officers. The country's executive, legislative, and judicial powers were completely centralized in Ziaul Haq's hands.

Currently struggles by opponents of Ziaul Haq's regime are assuming a wider scope. The prestige and influence of the movement for democracy and freedom, which some time ago presented a program for changes in Pakistan's society, is increasing daily. In this program, envisage in particular the implementation of land reform for the benefit of deprived peasants, respect for freedom of the press, and the establishment of equal rights for men and women. On the other hand, Pakistan's army as well is no longer the main base, as it used to be, for Ziaul Haq's regime. In fact, the anticipation of an anti-regime movement by the army is not unfounded.

At any rate, the people of Pakistan will not tolerate Ziaul Haq's regime. It is not without reason that he is seeking to buy land and properties and to hoard money in one of the Middle East countries. The tragic fate of such regimes as that of Ziaul Haq and the Islamic regime ruling in our country is unavoidable and inevitable.

CSO: 4600/39

PAKISTAN

SERIOUS CONCERN EXPRESSED OVER FOREIGN DEBTS

Lahor NAWA-I-WAQT in Urdu 24 Aug 85 p 3

[Editorial: "The Burden of Foreign Debt--Double in 8 Years"]

[Text] Dr Mehbubul Haq, the federal finance minister, disclosed in the National Assembly during the question hour that Pakistan's foreign debt had risen to 14.1 billion by June 85 and that \$451 million (almost 725 billion rupees) had already been paid in interest on these loans during the FY 84-85. The basic fact to which these statistics point is that our burden of foreign debts has increased more than one hundred percent during the last 8 years. We have to remember that early on during this period our exports had increased considerably and Pakistanis employed abroad had been sending home large sums of money. All this time the administration was reiterating the claim that the foreign loans were so easy to get because Pakistan was making very good use of the money. They said that the international agencies that lent us money were confident that Pakistan was making a much better use of the money than did the other developing countries. Our economy, they said, was improving.

It is all very well to justify and explain one's mistakes, but an action can only be justified by its results; and the results have got to be tangible. The deficit budget of RS 18.7 billion is four times higher than the previous estimate of RS 5.8 billion (FY 84-85). This deficit budget has not only falsified the claim that foreign loans are improving our economy, but has proved that these loans, in addition to being a heavy burden on the nation, have increased our economic woes instead of solving them. The finance minister has explained the deficit by saying that when making the budget, it was estimated that Pakistan would have to pay at the rate of RS 13½ per dollar but we had to pay at the rate of RS 15 per dollar.

This sort of argument can satisfy only the government financial experts and jugglers of economics. All that common sense observes is that the burden of foreign debts is increasing every year and that everybody in this country lives and dies a debtor. What makes everything so puzzling is the question--why there is a need for ever increasing foreign loans if the economy is really improving. These experts will leave the scene after their tenure is over. Who will have to struggle, and for how long, to repay the debts with which they have burdened the country?

The explanation that is given for our heavy and ever increasing debts is that all the countries of the Third World are in the same plight. This is the destiny of all developing countries, it is said, the worst example being that of the countries of the Latin America. But giving examples of other unsuccessful countries to justify our own budget deficit is only a method of negative thinking and escapism. In this country most of the revenue generated by taxes is spent on the administration and the ever increasing salaries and benefits for the state employees. All other expenses such as those of education, hospitals, health-care, construction of roads and bridges, repair of canals and streams, water and power, sewerage system and railways, etc. are met with from foreign loans. When the administration talks about development plans, it takes for granted that the expenses would be paid out of the loans from the World Bank or the Asian Development. Dependence on foreign loans has become a part of the mental constitution, an ordinary, given fact.

For years the foreign loans were justified on the ground that the prices of oil were very high in the world market, and that Pakistan had to pay 60 to 70 per-cent of its exports to meet the expenses of oil import. Now for the last three years the prices of oil has been coming down in the world market and Pakistan has been producing enough oil to meet 35 to 36% of its needs (instead of 10% as in the past). It is expected that the output of oil will increase in the future. But all this seems to have no tangible effect on our economy.

Our trade deficit due to our policy of generous imports is on the increase. As for our progress and development, the period of the load shedding of electricity has increased from 2-3 months a year to 7-8 months a year. The self-sufficiency in wheat that we achieved after 30-35 years disappeared only in two years due to unfavorable weather, and this year we had to import 2 to 2.2 million tons of wheat.

This state of things is by no means pleasant for the country. It is a mystery how the experts of economics in Pakistan claim that our economy is so strong that the money-lending agencies of the world have confidence in our capacity to repay our debts. We ask the experts who are loading the country with foreign debts to answer this question: Can they do to their own children what they are doing to the nation? Do they want their own children to inherit debts? Will their children be thankful to them if they leave them a heavy load of debts as a legacy?

12476

CSO: 4656/160

25 October 1985

## PAKISTAN

## SPECIAL COMMITTEE REPORT COMPLETED

Lahore NAWA-I-WAQT in Urdu 9 Aug 85 p 3

[Editorial: "Special Committee Has Fulfilled Duty"]

[Text] Mohammad Aslam Khatak, the federal minister of the interior, has submitted the report of the 29-member Special Committee to the National Assembly; general discussion on the report will start on Saturday, 10 August. The Committee's basic recommendations are more or less the same as those made by some members of the Committee during its sessions. The three basic principles and two restrictions on the forming and restoring of parties envisaged in the report are the basis on which recommendations have been made for the regular organization of parties, their performance in elections, that is, the requirement of receiving the established minimum number of votes, party discipline and regulation, etc. An effort has been made through these recommendations to improve and strengthen the situation existing under the 1962 political parties law. But at first glance one does not detect any recommendation, restriction or requirement in the report of the Special Committee which can be regarded as entirely unnecessary or unsuitable.

The gist of the three basic principles regarding the formation of parties contained in the Special Committee's report is as follows: As far as possible, political activity should be kept free from restrictions; under the law, no party should be unjustly discriminated against; rather, the fundamental aim of the law should be to strengthen political activity in the interests of the country and the nation. Restrictions should apply only to propaganda against the country's basic Islamic ideology, sovereignty, integrity, security, morality and public order and to the establishment of a party with foreign help. All these provisions were more or less included in the 1962 law under which the present (defunct) parties were formed. It is a matter of argument whether these principles were adhered to in practice or not, but as far as basic principles and restrictions are concerned, none of the political parties that have been formed so far has formally refused to accept them and even those parties considered to be supporters of socialism, secularism and provincialism have continued to announce in their manifestoes and constitutions that they support the country's Islamic ideology and the effort to bring the laws into conformity with the dictates of the Koran and the Sunna [traditions]. The compulsory registration of political parties with the election commission, as suggested in the Special Committee's report, was also provided for in the elections which

were to have been held in November 1979 (but were postponed indefinitely in October 1979). The parties that accepted this provision included those which are now members of the MRD [Movement for the Restoration of Democracy] or those which saw fit not to participate in the February 1985 elections held on a non-party basis. The Special Committee's report requires that the registering parties not only present their records and accounts, but also hold elections within their membership on national and provincial levels within a year. The few parties which might object to this requirement (which is neither undemocratic nor impracticable from any point of view) need not be mentioned here. They might find this requirement contrary to their traditions or inclinations, but they will find it difficult to justify their stand to their people because it will be difficult, perhaps even impossible, for those who demand democracy and elections in the country to offer any acceptable explanation for ignoring these two demands in their own party matters. They would have to face the question asked in the well known verse: Why do those advocating repentance not repent themselves?

A further requirement suggested for the registration of political parties is that in the next elections, they should obtain 2 percent of the total votes cast in the country. Any party that claims to be nationally organized and the people's spokesman should not find it difficult to fulfill this easy requirement. It should be noted in this connection that most of those members of the committee who wrote their opinions differing with the report said that the requirement should apply to votes in each of the provinces but that the percentage required should be only  $\frac{1}{2}$  percent. Greater tolerance could hardly be shown towards a party that calls itself a national one. Before the February 1985 elections when the issue of holding elections on a party or nonparty basis was under discussion, it was proposed that the requirement of a minimum of 5 percent to 10 percent of the votes be put into effect. It would be a good idea now to take under consideration imposing the requirement of an established minimum number of votes on a provincial as well as country-wide level. In order to better achieve the objective behind this rule, the requirement of a minimum 2 percent of the votes should be made applicable only to the next elections. In later elections, political parties should be required to obtain at least 5 percent of the votes country-wide and 2 percent of the votes in each of the provinces, so that, in accordance with the wishes of the people, weak political parties would be sifted out and strong parties enjoying a country-wide basis would be able to promote political strength, which should be the goal and basic role of political parties in a democratic country.

In case of refusal to register, the cancellation of registration or the banning of any political party by the government, the report allows that there should be the right to appeal to the election commission or the supreme court. This section of the report will receive further analysis, criticism and discussion in detail. The course of action recommended for a party declared illegal by the government was also included in the 1962 political parties law. In the course of discussions in the Committee, it was suggested that the government be required to seek, within 15 days, apparent legal justification for its action from the supreme court. The matter needs elaboration and in a dissenting note, two

examples are cited to show that the government acted in a vindictive manner. It is to be hoped that, at any rate, this matter will be given special attention in discussions on the special report in the National Assembly and the Senate.

Although the matter was not within the scope determined for the Special Committee of the National Assembly, in view of the situation and demands by all circles, the report suggested that, following the ratification of the political parties law by the parliament, immediate steps be taken to remove martial law. This recommendation cannot be considered unreasonable because the president, the prime minister and other government authorities have said repeatedly that a political structure is needed before martial law can be removed. The Special Committee has fulfilled its duty by issuing its report; now all eyes are on the parliament (the National Assembly and the Senate) and the government to see how well and effectively they perform their basic and important duties so that the restoration of democracy for which all have been counting the days for the last 8 years will be finally accomplished.

9863

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PAKISTAN

JATOI URGES PUBLIC PROTESTS AGAINST INDEMNITY BILL

Karachi DAWN in English 20 Sep 85 p 2

[Text] Karachi, Sept 19: Mr Ghulam Mustafa Jatoi, acting Convenor of the MRD, has asked the people and the banned political parties to protest against the proposed amendment in the Constitution.

Addressing a Press conference at his residence on Thursday afternoon, he said all political parties should try to frustrate the attempt to pass the legislation.

He appealed to the MRD component parties and other democratic forces to hold protest meetings at Tehsil and district levels throughout the country in this connection.

He did not agree to the suggestion that his directive was in conflict with the views expressed by Ms Benazir Bhutto prior to her detention, saying that the struggle for democratic rights was a continuing process.

He made an appeal to the Pakistan Muslim League (Pagara Group) and Jamaat-i-Islami, which participated in the February elections, to review their position and direct their members in the Assembly not to vote in favour of the bill.

He said Maulana Shah Ahmed Noorani sided with the MRD decision by not participating in the last elections and should also join the present struggle against the Government.

On the issue of the Indemnity Bill, Mr Jatoi said, "Statutes of indemnity and Constitutional provisions relating to validation of certain legislative and executive measures initiated during the Martial law regimes are not unknown in the constitutional history of Pakistan. It is true that certain measures taken by the ML governments also need to be condoned or validated on the principles of State necessity."

He said what needs to be seen is that the question was designed for the welfare of the people and whether they conform to the requirements of state necessity which has been described by the Supreme Court on more than one occasion.

CSO: 4600/37

PAKISTAN

FORMER JUDGE SPEAKS AGAINST INDEMNITY BILL

Karachi DAWN in English 26 Sep 85 p 2

[Text]

LAHORE, Sept 25: A former Judge of the Lahore High Court, Mr Aamir Raza A. Khan in a statement issued here on Tuesday, has said the main purpose of the Indemnity Bill appears to be the total destruction of the unanimously approved the 1973 Constitution which Gen Zia-ul-Haq himself has repeatedly promised to fully restore.

Mr Khan contended that this promise was also the basis of the acceptance of his extra-constitutional action of July 5, 1977, by the Supreme Court in the Nusrat Bhutto case. However, this condition, it appeared, did not suit Gen Zia who, as a consequence, destroyed the judicial institutions by promulgating the PCO in 1981.

Whereupon, the Chief Justice and 18 other Judges left office and his continuance in office thereafter was clearly unconstitutional.

"Both RCO and PCO are, for that reason, completely unconstitutional and it is in order to remove these fundamental disabilities, that the validation bill has been presented to the National Assembly," Mr Khan said.

Mr Khan said if the National Assembly passed the Bill it would deface and change the very basic structure of the 1973 Constitution by altering no less than 58 of its articles.

Mr Khan said this was not the purpose for which "this Assembly was returned, and should it do so, it would itself be the first victim of its own act of constitutional murder of Pakistan's unity and would also trigger off a genuine public movement for the removal of this Assembly and this regime".

PAKISTAN

## NASRULLAH KHAN DENOUNCES INDEMNITY BILL

Karachi DAWN in English 26 Sep 85 p 2

[Text]

LAHORE, Sept 25: Veteran MRD leader Nawabzada Nasrullah Khan on Wednesday warned that any bid to amend the Constitution at the cost of fundamental rights, the independence of the judiciary and the sovereignty of Parliament would not be acceptable to the nation and would be considered a "sell-out."

Talking to this correspondent, he said the Eighth Amendment Bill should be approved in a manner that it could ensure the security of the nation by giving the small provinces a genuine sense of participation in the governance of the country, thereby removing their sense of deprivation. Members of the Assembly should not only resist the passage of the bill in its present form, but should also take their resistance to its logical end, he said, implying that they should refuse to participate in the proceedings and resign their seats. In that case, not only the MRD but the entire nation would acknowledge their services and struggle.

Nawabzada Nasrullah Khan denied that the Government had contacted the MRD. "Such a contact is out of the question, as we cannot compromise our principled stand on the 1973 Constitution," he said, adding that the MRD would not ac-

cept a position less than the restoration of the Constitution in letter and in spirit. According to him, parleys with the Government could be held only if it first agreed to restore the Constitution. "We can then meet to work out the modalities of fresh elections," he maintained.

Nawabzada Nasrullah said that no price for lifting of martial law could be demanded from an Assembly that had been elected through partyless polls, as it had no such mandate. The only mandate with the Assembly was to make efforts for the withdrawal of martial law and the restoration of the 1973 Constitution. "The people have not authorised them to change the Constitution," he added.

He said that members of the Independent Parliamentary Group had, through resisting temptation and coercion to vote for the 8th Constitutional Amendment Bill, won appreciation from the MRD and the nation. The Nawabzada said that the legislators must take their resistance to a logical conclusion. "In the first place, they must try to secure the restoration of the 1973 Constitution as it stood on July 4, 1977. If the legislators succeeded in playing a 'positive' role, it will be acknowledged."

CSO: 4600/37

PAKISTAN

OFFICIAL CLAIMS ON KALABAGH DAM DISPUTED

Karachi DAWN in English 26 Sep 85 p 10

[Text]

PESHAWAR, Sept 25: A spokesman of the banned National Democratic Party has contested the statement of the WAPDA Chief, Lt-Gen. Ghulam Safdar Butt, that the proposed Kalabagh Dam would aid national uplift and would provide additional electricity and irrigation water to all the four provinces.

Mr Farid Toofan, Central Information Secretary of the NDP in a statement said that the proposed dam would play havoc with agricultural land and village population in NWFP and would reduce the multi-million Mardan SCARP to nought as seepage would be destroying not only the area now under the Mardan SCARP but would also waterlog thousands of acres in Peshawar, Mardan, Kohat districts, while 60 thousand acres would submerge under Kalabagh Lake and a population of two lakh would become homeless. The plight of agriculturists would be miserable as a result of waterlogging of vast tracts of fertile land.

Mr Farid Toofan did not agree

with the WAPDA Chief that the proposed project would benefit all the four provinces. As for NWFP, he said, it was already producing 2200 MW of electric power against its actual need of a mere 300 M.W. and that was being denied to the province. Regarding irrigation water, he pointed out that even 11 thousand cusecs was not being made available for the Chashma Right Bank Canal which was the province's genuine requirement and which it contributed through Indus tributaries, flowing from NWFP.

He deplored the WAPDA Chief's vain effort to justify the location of the proposed dam at Kalabagh and termed it as an uncalled for insistence because even the Canadian experts had preferred location of a new dam on River Indus, upstream Tarbela at Basha, 110 km from Gilgit. Mr Toofan called upon the Government to shift the site of the new dam to Basha where it would be more beneficial as well as safe from agricultural land and rural and urban population of both the Punjab and NWFP.

CSO: 4600/37

PAKISTAN

NEW OIL WELL DRILLED NEAR HYDERABAD

GF061430 Karachi DAWN (BUSINESS supplement) in English 2 Oct 85 p 1

[Excerpts] Hyderabad, 1 Oct--Dr Muhammad Asad Khan, minister of state for petroleum and natural resources, spudded-in the Burdi-Babar well, located 9 km southwest of Hyderabad. It was selected for drilling as a result of extensive geological and geophysical surveys, conducted by OGDC [Oil and Gas Development Corporation] in the area. It is spread over an area of 8 square km.

The projected depth of Burdi-Babar well is 3,500 meters and the drilling will evaluate the oil and gas prospects of lower Goru sands, including Basal Goru sands. Lower Goru sands are potential producers at Tando Alam oilfield located at a distance of about 8 km from this well. Basal Goru sands occur at deeper level and will be the additional objective, which will be tested by this well. Drilling of Burdi-Babar well is expected to be completed in 75 days.

At present, in addition to Burdi-Babar well, which was spudded-in today, drilling by OGDC is being carried out at Dakhni Well No. 4 and Toot Well No 19 in district Attock and Machhi Well No 1 in district Hyderabad. After completion of drilling, production testing is being carried out at Kotsarang Well No 2 in district Attack and Pirkoh Wells Nos 9 and 10 of Loti Well No 2 in Bugti Agency and Tando Alam Well No 5 in district Hyderabad.

Preparations are in hand to start exploratory drilling at Sann, in district Dadu, Afiband and Zindapir in district Dera Ghazi Khan and Chak Naurang in district Chakwal and development drilling at Tando Alam in district Hyderabad, Loti and Pirkoh in Bugti Agency, Nandpur in district Multan and Dakhni in district Attock.

The efforts to delineate new drilling prospects and to maintain the enhanced drilling activities have been accelerated. In order to achieve the objective, extensive surveys and field and laboratory investigations are being carried out by deploying three geological and six seismic parties throughout the country.

CSO: 4600/39

PAKISTAN

BRIEFS

SHAHNAWAZ'S DEATH: REPORT REQUESTED--London, Sept 19: A spokesman of the Pakistan Embassy in London said on Thursday that the Government of Pakistan has formally requested the Government of France to release the report of its inquiry into the death of Mr Shahnawaz Bhutto, the son of executed Prime Minister Zulfikar Ali Bhutto, who was found dead in his flat in Cannes, France, on July 18 this year, and buried in his ancestral graveyard in Pakistan on August 21. The French Government has also been asked to make a copy of the report available to the Pakistan Government, the spokesman said. The request, he added, was conveyed to the Government of France through the French Ambassador in Islamabad. The spokesman described as "utterly false" reports in a section of the Press suggesting that delay in publication of the autopsy report by the French Government was in difference to a request by the Pakistan Government. [Text] [Karachi DAWN in English 20 Sep 85 p 1]

ZIA ON BIHARIS' REHABILITATION--President Mohammad Ziaul Haq has indicated that there was a substantial progress in talks for vital amount for the rehabilitation of Urdu-speaking Biharis, BBC quoting a Bangladeshi periodical reporter on Thursday. Majority of Biharis who migrated from the Indian state of Bihar before the tension between the then East Pakistan and West Pakistan are in favour of the continuation of rehabilitation. As many as 250,000 Biharis are stranded in Bangladesh. [Text] [Karachi DAWN in English 20 Sep 85 p 1]

OUTGOING TUNISIAN ENVOY--Departing Tunisian Ambassador Jamaledine Gordah met Prime Minister Mohammad Khan Junejo in his office at the National Assembly today and exchanged views with him on matters of mutual interest. [Text] [Karachi Overseas Service in Urdu 0800 GMT 1 Oct 85 BK]

GAS DEPOSITS--Seventeen trillion cubic feet of gas deposits are available in the country, sufficient for domestic requirements for at least 50 years, according to Minister of State for Petroleum and Natural Resources Dr Mohammad Asad Khan, who was speaking at a news conference in Quetta today. He said that domestic oil production has increased to 40,000 barrels per day since August of this year, enabling the country to save 8 to 9 million rupees in foreign exchange. [Excerpt] [Karachi Domestic Service in Urdu 1500 GMT 4 Oct 85 BK]

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CSO: 4656/9